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By WILLIAM R. GREEN, Ranking Member, the Ways and Means Committee

Remaking the Tariff to Fit

By HARRY A. WHEELER, Vice President, Union Trust Company, Chicago

The Railroads—Ten Years from Now

A Problem of the Transportation Conference

Can't We Carry Freight to Your Doors?

By W. J. L. BANHAM, Traffic Manager, Otis Elevator Company

It Costs Too Much to Sell Food

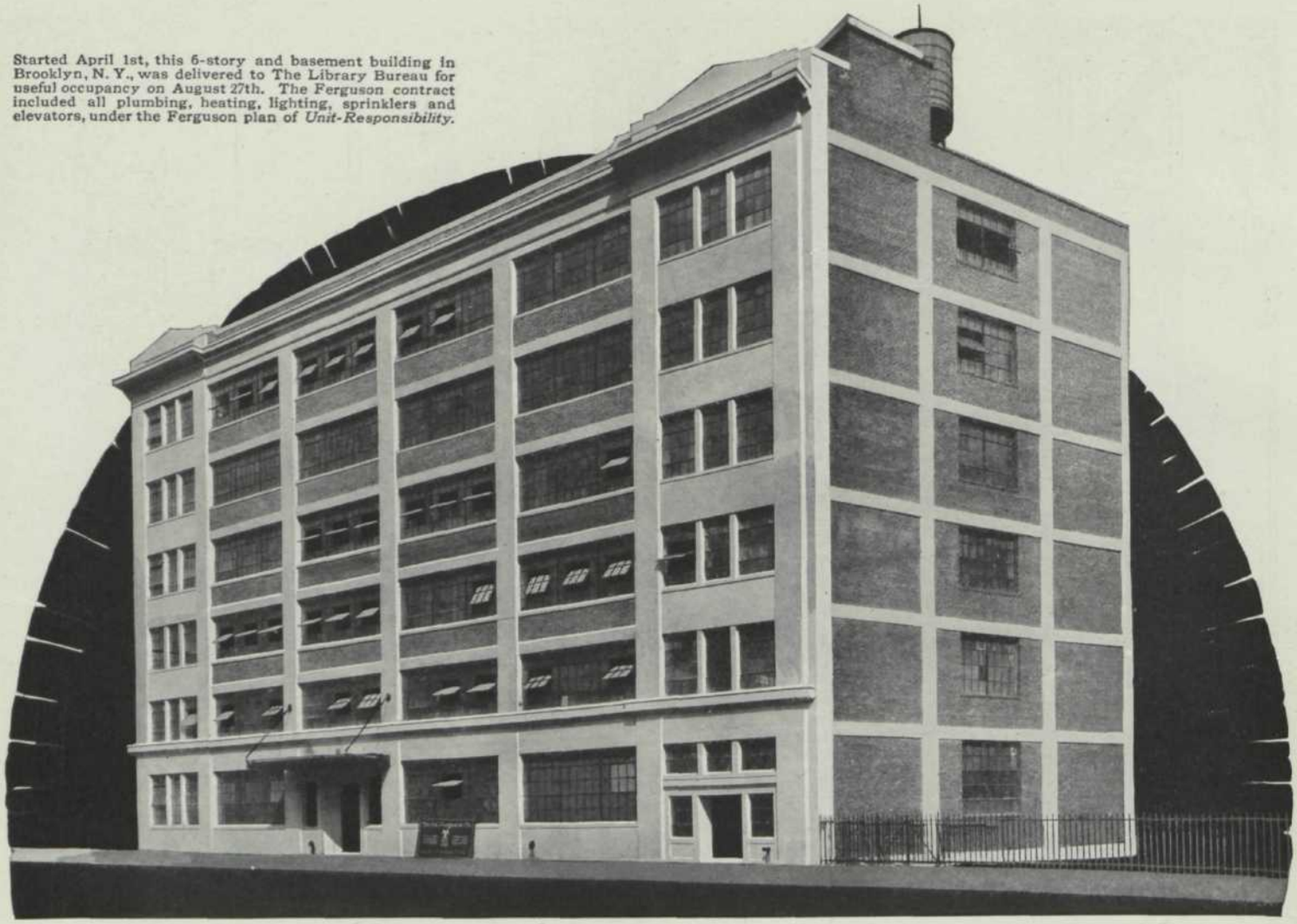
By B. F. YOAKUM

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Published by the Chamber of Commerce of the United States

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Started April 1st, this 6-story and basement building in Brooklyn, N. Y., was delivered to The Library Bureau for useful occupancy on August 27th. The Ferguson contract included all plumbing, heating, lighting, sprinklers and elevators, under the Ferguson plan of *Unit-Responsibility.*

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Type.....Length.....Width.....Height.....

Name.....

Address..... (NB-11)

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Factory Locations

— for large and small plants



In Jacksonville FLORIDA

Industrial executives seeking an expansion of business are attracted to sections where agricultural production is on the increase, and where general business conditions promise a profitable market for manufactured products.

These factors account for the rapid industrial growth of the South, where crop values in 1922 showed an increase of $980,000,000 over 1921, and where bank clearances indicate healthy and satisfactory business conditions.

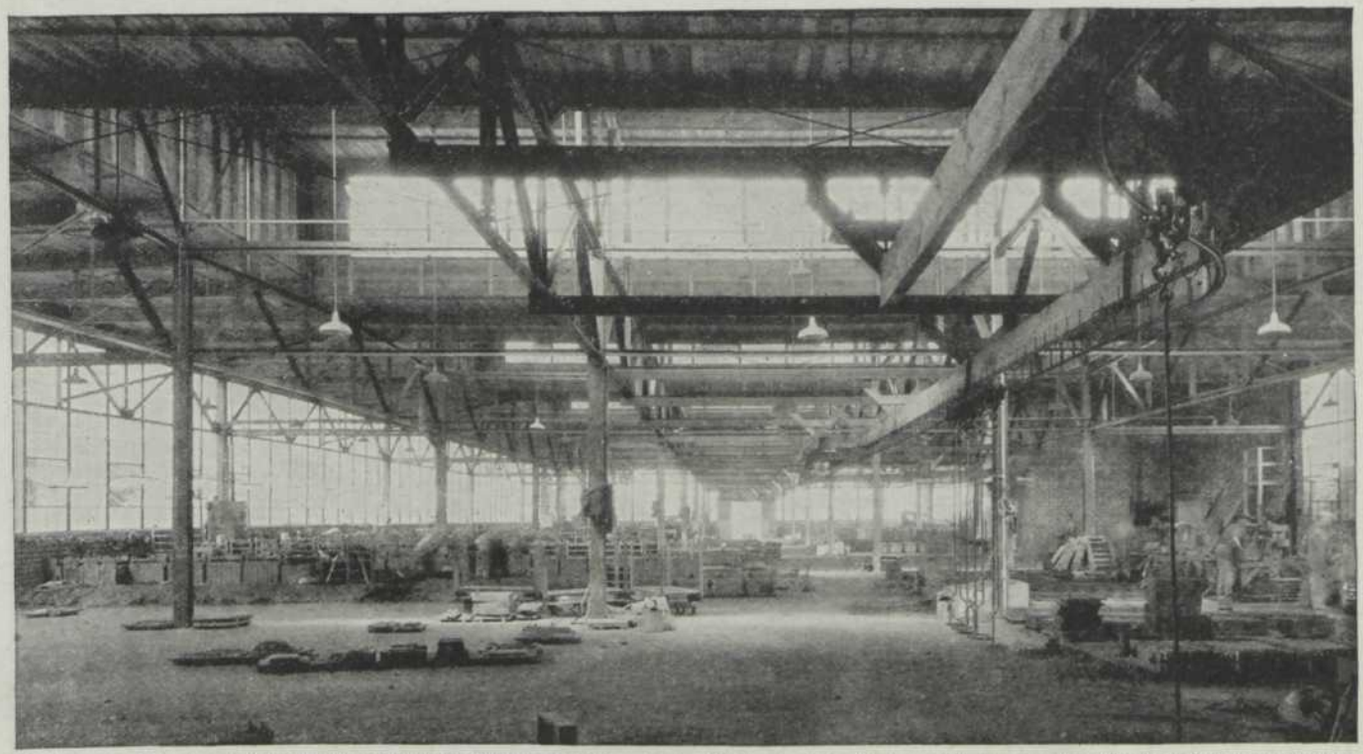
Jacksonville, Florida, is the logical manufacturing center for a trading territory containing over 8,000,000 inhabitants. The city offers cheap and abundant power, skilled and unskilled labor, rail and water transportation, climatic conditions and local advantages which combine to make manufacturing economical and profitable.

Those interested in manufacturing are invited to write for booklet "Factory Advantages of Jacksonville," which tells the story of the city's rapid growth, and the causes which have contributed to make it one of the large and important industrial centers of the Southeast.

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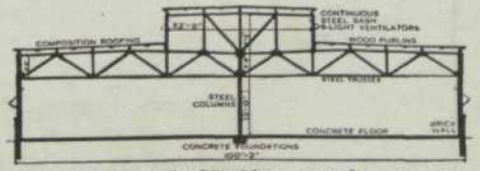
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Through the Editor's Spectacles

FROM a fine bunch of letters this month we cull a few for the delectation of our readers—and to show among other things that what's sauce for the goose is not sauce for the gander. For instance, Mr. R. E. Cherrick, of Rock Creek, Oreg., sees in us a mouthpiece of "Big Business," and thinks chambers of commerce worse than the I. W. W. He says:

I have just finished reading most of the September issue of your magazine. I hope to later make room for THE NATION'S BUSINESS in my list of reading because I recognize its value in setting forth the ideas of the so-called "Big Business" as to how this Government should be run. I claim to always be honest, and I try to be fair. I realize that in order to do so, one must *know* the other fellow's viewpoint.

Turn to page 15, September issue, top of third column. "There are a great many farmers—in fact around 50 per cent—who do not have actually to *make any profit* out of their crops, and general farming operations in order to get along nicely." Well it can't be done, and you know it. Try it on "Big Business" and see how it works? I have made the statement before chambers of commerce and other meetings that the chamber of commerce is, in my opinion a worse menace than the I. W. W. Such statements as this one make me feel more than ever that I am correct.

But again I do agree with you heartily in some things, for instance, about freight rates. Rates must of necessity be based on service rendered. But this should also apply to farmers. We should not expect to ship hay from Oregon to feed to dairy cows in Maine at a price to enable the Maine dairy men to make a profit. There are enough injustices that are apparent in railroad tariffs that need readjustment to keep us busy without such nonsensical things as this. But I must stop till I have more time. I might add that I am a retired farmer. Retired because I can't make a decent living, though I can exist on it.

WHILE a reader who signs himself "Disgusted" on a letter postmarked Cleveland thinks those same agricultural articles are "pandering to the farmer and the cheapest kind of politics" and rises to state:

Why should a lazy, inefficient citizen who gambles his all on a wheat crop and loses get such attention from you? I can see why the politicians slobber over his alleged wrongs. They want votes. But a sane, dignified journal devoted to sound economics should be the last to fall into line. Why doesn't some red-blooded spokesman show up who will go to the heart of the matter? For instance:

Why this bellyache about farms being mortgaged? Tell us if there are more farms mortgaged than industries. The U. S. Steel and Standard Oil and the packers—all anathema to the farm politicians—have healthy mortgages.

Next, why sob-stuff about farmers failing? I'll undertake to match a retail failure with every farm failure and have some left over. Three-quarters of a billion in business failures in one year. And those were real honest-to-God failures, sheriff, padlock and all—and furniture thrown into the street! But no legislation to relieve the misery of this unfortunate class of citizens of the republic—citizens doubtless as loyal and patriotic as any.

And so on and so on. The wail about our sturdy yeomanry leaving the soil—well, hasn't our food supply for all that kept up with our population growth? What would you have? Have them stay on the farm and restrict individual production as the coal miners have done? We'd be better off today if 'steen thousand coal miners had "left the mines" and gone into the automobile, electrical and chemical industries as the farm boys did.

And why should I in Cleveland be taxed to keep a farmer in business who has gone out to the western fringe of alkali and cactus and finds his judgment bad and the rail haul 2,000 miles?

Why don't you point out that most of the trouble is due to gambling in lands, worse gambling than Wall Street ever did, where $1.25 government acreage has been boosted to $300 on borrowed money and expected to turn a similar profit!

I could go on all afternoon indicating the bunk that's going on over agriculture, coal, oil, ships, rails, and the whole range of business undertaking. But it's not my job—that's what I pay $7.50 to THE NATION'S BUSINESS for—and all I'm getting is platitudes and more platitudes.

"Disgusted" wields an entertaining if

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Two months ago we talked of wheat as a national problem. This month we present the solution of a particular community. Here's the story by a man on the ground of how one county in Kansas has turned from the golden, gambling crop of wheat to the safety of diversification.

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somewhat scratchy pen; if we had his real name we'd get him to contribute regularly.

OUR Cleveland reader is not alone in crying out for facts concerning the wheat situation. Appraisals of agricultural conditions are made throughout the land in impressive number and variety. The man who seeks to inform his judgment with fact is bewildered and baffled with a cloud of charges and counter-charges. He is like to be overborne by the glib explanations of subsidized observers and special pleaders whose fanatic zeal carries on in behalf of one or another economic group. How welcome, now, is the voice of Dean H. L. Russell, of the Wisconsin College of Agriculture, who comes forward to give straight words to Wisconsin farm boys. Counseling the young men not to leave the farm for the city, and to prepare for farm management, Mr. Russell says:

The shrewd young man, in deciding what business or profession he wants to follow, will be wise not to go with the crowd. Competition is always the keenest and the possibility of oversupply the greatest when everybody wants to rush into the same line. Just now, the recent unpopularity of farming makes this a more attractive field than normal. Especially so to the young man who trains himself to do better than the average.

And then the nub of his recommendations:

There is no favorable outlook for the inefficient man anywhere, and especially will that be true in agriculture.

The consequences of poor management are inescapable. They are not peculiar to agriculture. There is no security for the inefficient man in any competitive enterprise. And no bogus idealism or legislative pill will avail to the contrary.

THE September number inspired Mr. F. J. Feinler, of Port Townsend, Wash., along different lines. He was well pleased with THE NATION'S BUSINESS and suggests several little things "we might bring about":

First, the adoption of the metric system. Second, international time reckoning with the confusion of the zone system. Let Greenwich time be everywhere used for telegraph and transportation, time schedules, etc. Local time for local use. Third, strictly phonetic writing, elimination of capital letters, etc. Fourth, an international terminology based on a numerical and simple phonetic system which uses the same sounds everywhere. For spoken language is far more important than writing. These simplifications would eliminate a great amount of friction on the wheels of commerce.

MR. T. H. MAXWELL, manager of Maxwell Brothers, El Dorado, Ark., takes us over the jumps on another count. He writes:

I am a member of Roy V. Kinard Post No. 10, American Legion. I will not aid nor abet an organization which is opposed to "adjusted compensation" for soldiers who served the U. S. in the war against Germany. I have also read some of your platitudes about finance and business. Our financial system has at present a metallic gold base, pyramidal in shape, but inverted, and panicky at any desired moment. Also you teach that our great American Government should borrow its own money and pay someone else interest for it. I have put you in the Ananias Club, as the famous "Teddy" would say! If you would plainly and openly advocate a system whereby a select few could get sustenance from the majority without causing the few the weariness of working for a living, you could come nearer telling the truth.

ON THE other hand, Mr. C. L. Boyer, civil engineer and contractor of Toledo, Ohio, found the Distribution Series illuminating, and goes on to add:

I also especially commend the column headed "Government Aids to Business," and have taken advantage of certain information given. Should have had the magazine sooner.

Likewise other letters came telling us of something helpful found in the magazine and these served to maintain the editorial equilibrium. Here are a few excerpts:

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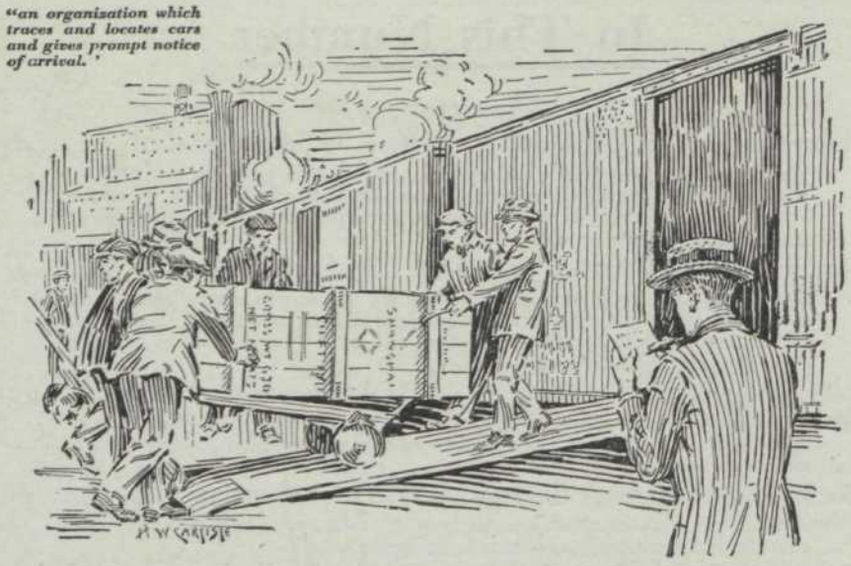
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LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

know the pleasure and profit that are mine in reading this number, and I find every number of great interest.—W. E. Dunwody, Pres., Standard Brick Co., Macon, Ga.

It is six months since I saw the first copy of The Nation's Business, since which time each number has been eagerly looked for. I believe you are in a position to get the cream of business information, and a subscriber, therefore, has before him the opportunity of understanding the complexities of the nation's business as he can those of his own community.—J. V. Cordes, Assistant Treasurer, Chester Kent & Co., Chicago.

In order to stimulate good reading among those who use our library, we should be glad to display prominently and permanently a statement from you as to the historical background of your publication. We believe this would enable us to understand and appreciate better the part you take in our national life, and to be more accurately informed citizens of America.—Chas. E. Nourse, Mayor, Wilsonwood, Ill.

I particularly appreciate the monthly map representing business conditions throughout the United States, and believe it to be one of the best, if not the best, feature I have so far noticed in the magazine.—W. H. Fortier, Spokane, Wash.

You are probably overwhelmed with messages of congratulation on the excellence of the contents of The Nation's Business and the phenomenal record you have made in increasing the circulation, yet I am glad to add a word of congratulation and to express the hope that month by month the influence as well as the circulation of the splendid publication will increase.—J. A. Gawthrop, Richmond, Va.

We use The Nation's Business in our library and find it very helpful to the business men who use the library.—E. H. Wilder, Russell Library, Middletown, Conn.

I make considerable use of every copy of The Nation's Business in my classes in Tariff and International Trade and Latin American work.—Harry T. Collings, Professor of Economics, University of Pennsylvania.

In my opinion The Nation's Business is one of the most interesting and instructing magazines that comes to my attention. Until I regularly took up the reading of it I was of the confirmed opinion that it was impossible to make a business magazine really readable, but you have certainly convinced me that it is possible, and if the magazine continues to be as good as it has been in the past I expect to continue my subscription indefinitely.—F. H. Hird, Western Manager, Bird & Son, Chicago.

I was very much interested to note the article, "The Story of a Quaker Meeting," in the September number. It seems to me that much good will come from the occasional presentation of constructive efforts on the part of employers and business men further to develop the ethical code of business and industry.—F. E. Johnson, New York City.

James M. Beck is still possessed with the idea that we have sold our souls to the devil of machinery; that man has become the slave of the harnessed power he created. Hear him, through one of Mr. Hearst's newspapers:

All the rotary presses of the United States, which tonight are printing over 50,000,000 copies of papers, will not print one single document which will be comparable in wisdom and nobility with Washington's Farewell Message.

But Mr. Beck's article, readable and thought-provoking, even if not equal to Washington's Farewell Message, is printed in a million or five million of those 50,000,000 newspapers of which he speaks so slightingly. And are not their readers better off? We

should think poorly of Mr. Beck if we did not believe that.

The Ten Commandments were written "in two tables of stones." Still more primitive and of smaller circulation. Washington at least availed himself of the printing press. Would Mr. Beck go all the way back?

EDWARD W. BOK, once editor of the *Ladies' Home Journal,* has retired from that office to a life of dignity, but not necessarily one of ease. He has written his own life and that of Cyrus H. K. Curtis—best sellers both—and he has offered to reward him who sets the world on its way to peace. Now he's set the advertising beehive buzzing.

It began innocently enough by offering prizes through the Harvard School of Business Administration; he has offered prizes for the best advertisements, saying, "It is pathetic to see the barrenness of initiat ve and originality in the modern advertisement." But is was not that which started the buzzing. It was his presentation of a table of amounts spent on advertising, starting off with $600,000,000 in the newspapers, ending with $5,000,000 in programs and altogether totaling $1,284,000,000.

Good, big, round sums those, but not necessarily too large nor indicating waste. Other estimators have put them even higher.

Comes now John I. Romer, able editor of *Printers' Ink,* published in the interests of advertising, and deplores the broadcasting of these figures on two counts:

"First, that it is obviously impossible to compile accurate statistics," and,

"Second, that their dissemination is antagonistic to the welfare of the publishing and advertising business."

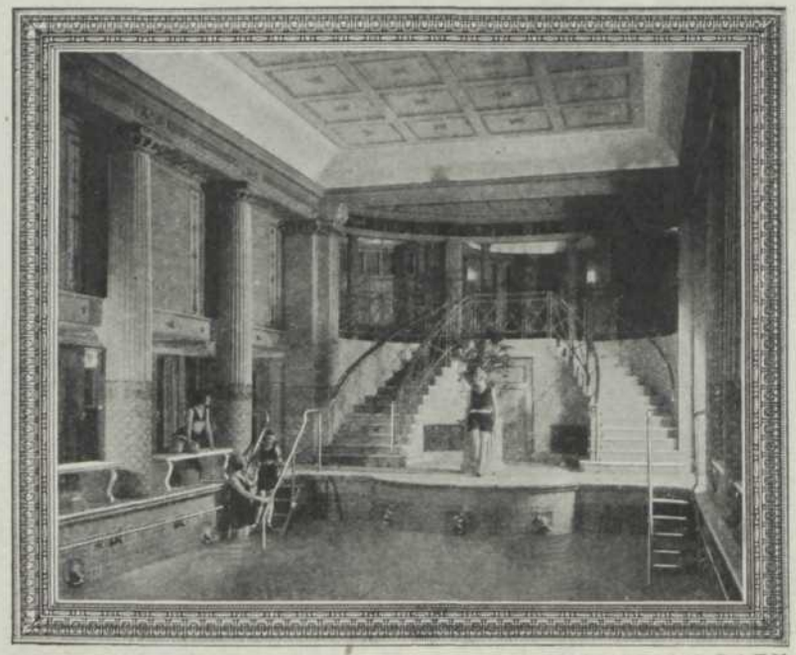
Spreading such loose figures—if loose they be—is antagonistic, Mr. Romer explains, since "it furnishes ammunition to foolish legislators and ambitious politicians and governmental executives looking around anxiously for sources of additional revenue."

THE Bok figures and the Romer comment have provoked lively discussion, nor is all the feeling on one side. First, as to inaccuracy of the figures, no one was prepared to accept them as certain or final, but not everyone was prepared to say they were too large. A figure of $150,000,000 for magazines and weeklies doesn't seem startling. Two of the periodicals which Mr. Bok knows best, the *Saturday Evening Post* and the *Ladies' Home Journal,* would account for a large slice of that.

But there's a broader question than the mere accuracy of the figures that is worth the consideration not only of advertising men but of all business men. If, as most of us believe, properly directed advertising is a saving rather than a wasteful factor in distribution, if for many—not all—articles it is a cheaper method of selling, then why balk at bigness? Why not be proud rather than timid in telling of advertising power? As studies of distribution continue, advertising is bound to be drawn into the inquiry. Advertising like every factor will have to justify the money spent on it, and that justification must come from the consumer, not the advertiser only.

Would it not be foolish for the advertising industry to stick its head in the sand and imagine that no one is going to see its tail feathers?

MONSTER dragons swished their tails (so for five thousand years the Chinese legend ran) and caused the Yellow River to inundate vast areas of fertile farmland. Some



POMPEIAN BATH
S. S. Leviathan

To EUROPE

IT costs less NOW. On the ships of the great fleet of the United States Lines to Europe you will find the maximum of luxury, speed, refinement and economy. If you go to Europe now the social season over there is at its height, the tourist prices of the summer are not in force and the passage rate is lowest. Accommodations to suit every purse and every taste available now at new low Winter Rates.

Next sailings are:

Leviathan	*Nov.* 10	*Dec.* 1
President Roosevelt	*Nov.* 24	
George Washington	*Dec.* 13	
President Harding	*Dec.* 29	

This is an unusual opportunity to go abroad at a very moderate cost. Send today for your Government's free, handsomely illustrated, travel booklets of itineraries, costs, tours and ship accommodations.

Send the Coupon Today
Find out about the new low Winter Rates and the advantages of Europe in Winter.

INFORMATION BLANK
To U. S. Shipping Board
Infor. Section 2118 Washington, D. C.

Please send without obligation the literature giving travel facts. I am considering a trip to Europe ☐, to the Orient from Seattle ☐, to the Orient from San Francisco ☐, to South America ☐.

My Name_____

Address _____

Town_____ State_____

UNITED STATES LINES

45 Broadway New York City

Canadian Office: 79 Queen Street, W. Toronto
Agencies in all Principal Cities
Managing Operators for

U.S. SHIPPING BOARD



Good Morning, London!

Huge Sums of Money Are Daily Sent to Europe by

RADIOGRAMS

WHEN a distress call comes from a friend abroad—or when instant cash on the spot in Europe means big profits—you can get the money there, in a matter of minutes—by Radiogram. Talk it over with your bank. Practically every part of Europe can be reached this way, and the great banks of the country make daily use of radio to speed their clients' business.

WORLD WIDE WIRELESS
REG. U. S. PAT. OFF

Send To-Day for Radiogram Rate Sheet

How to send a Radiogram: In New York, San Francisco or Washington, phone for an RCA messenger. In other cities, use the nearest Postal Telegraph office to send a Radiogram to Europe. Use the nearest Western Union office for Radiograms to Japan and Hawaii. To any country—and to passengers on ships at sea—be sure to mark every message

"Via RCA"

RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES

NEW YORK CITY

64 Broad Street	Broad 5100	933 Broadway	Ashland 7314
19 Spruce Street	Beekman 8220	1824 Broadway	Columbus 4311
126 Franklin Street	Franklin 2675	51 East 42nd Street	Murray Hill 4996

SAN FRANCISCO, 300 California Street, Douglas 3030

WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400

CHICAGO	10 So. La Salle St.	PHILADELPHIA	The Bourse
BOSTON	60 Congress Street	CLEVELAND	1599 St. Clair Ave.
NEW ORLEANS	Carondelet Building	SEATTLE	Maritime Building
BALTIMORE	Gay & Pratt Streets	PORT ARTHUR, Texas	Realty Building
NORFOLK Va.	220 Brewer Street	HONOLULU, T. H.	923 Fort Street

there were who averred that they had seen the giants at their destructive play. But the Chinese are a fatalistic folk, and they bowed to the will of their gods.

Not so modern commerce! At its beck came engineers of the Asia Development Company, a New York corporation, to harness within its bed this unruly and ruthless torrent. The great break of 1921, which cost millions of dollars and untold suffering, was closed with concrete and steel, the river was diverted to its original course, and chained there against the possibility of digging new channels or destroying its banks. The work was completed in four months. Not only adjacent farms but commercial traffic on the river were made secure.

No longer do dragons disport themselves amid this muddy flood. Modern science and modern industry have put them swiftly to flight.

MORE and more education attempts to catch step with the restless forward march of industry. The New York University now announces an "oil course," to prepare future executives for the industry. The students are to be instructed about export business, about conditions in the flush producing pools of the midcontinent and California fields, about mechanical problems and financing. They will get information which oil executives have picked up heretofore while they worked.

We are reminded of Professor Charles William Wallace of the University of Nebraska, who teaches dramatic literature and is regarded as the foremost living Shakespearean authority. He spent years examining more than five million Shakespearean and court records, and discovered new facts which amazed the scholastic world. Not satisfied even with this and the enormous personal prestige it brought him, he determined to make further researches. But how do it on a professorial salary? In order to get back to his beloved subject he went into oil and accumulated a million dollars.

Evidently, although oil and water won't mix, oil and education will.

OUR MAIL brings a publication addressed to us as editor of "The Matron's Business." We remember publishing an article on "What the Better Half Thinks" by "Herself," but we doubt that the addressor seized on that piece for light on our persuasion. We think of a matron as a married woman, especially a woman of established age and dignity, or a housekeeper, particularly of a public institution or a female superintendent of a charitable institution.

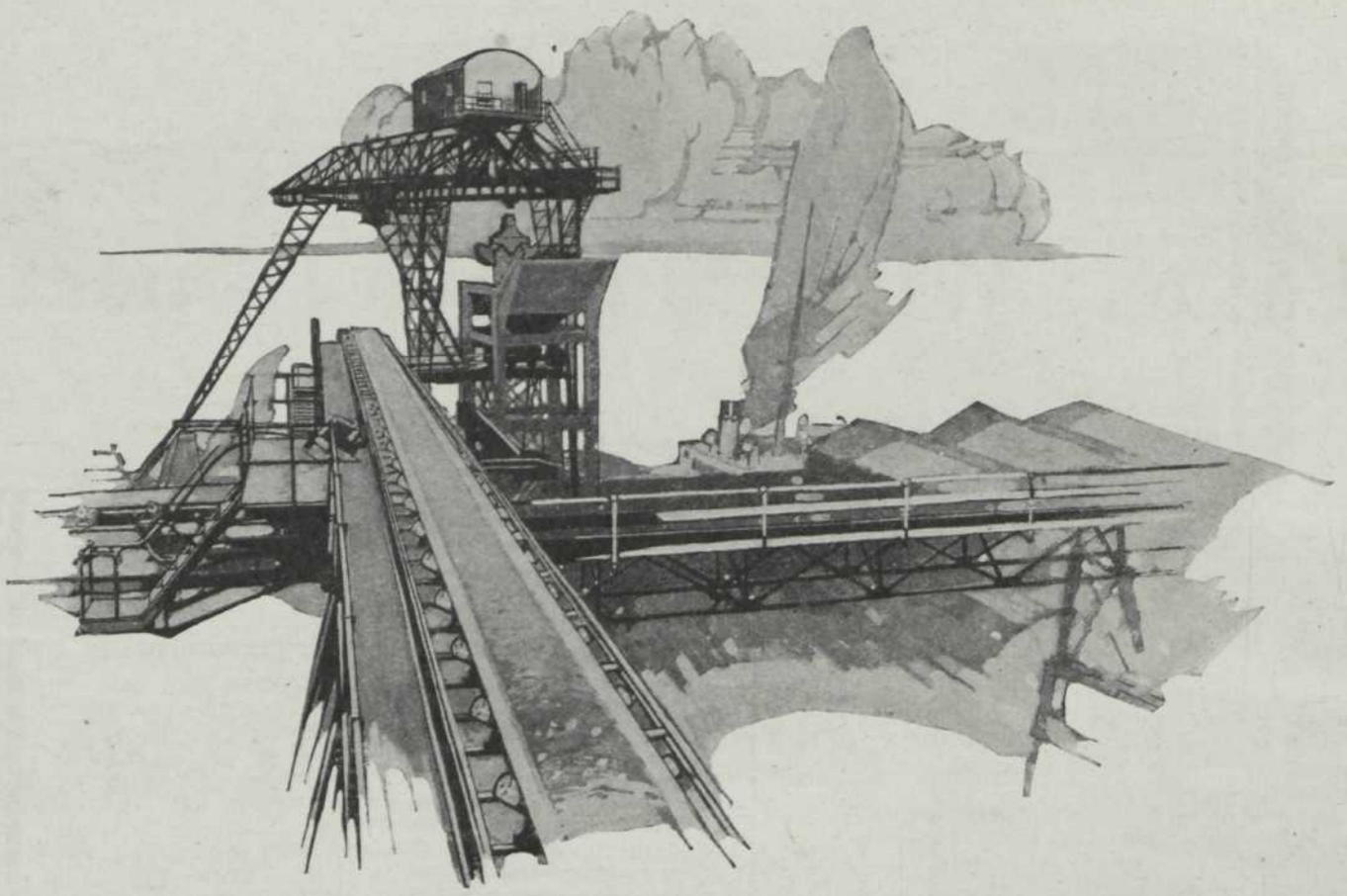
Can it be that any of those concepts hold the true character of the magazine?

We are only ten years old, and although dignity is with us always, it is flexible on occasion. We do not set public houses in order, but we do try to point the way to better administration of the national resources. We have sometimes thought in our superintendency of publishing enterprises that publishing might well be classed with charitable institutions. But we dismiss that bit of pessimism to deny the allegation of the gender.

If it be that our watchful care for the best interest of our readers has put the magazine in the similitude of motherly solicitude, we welcome the compliment. And our course has approval from our readers—the family now stands at 120,000 and new members are coming in at the rate of 1,000 a week.

M. T.


ART METAL
Fulfills Every
Office Equipment Requirement
In selecting the equipment for your permanent office, ask yourself these questions:
1—How long has the maker been in business?
2—What is the reputation of the brand as to service and durability?
3—Will it afford protection for my records against fire, dampness and vermin?
4—Is the line so complete that it will grow as my requirements increase?
5—Is it economical in price?
A study of these questions will invariably lead you to choose ART METAL, just as it has been chosen in 75% of all offices equipped in steel.
ART METAL is the product of thirty-five years' skill and experience in manufacture, dating back to the first piece of steel office equipment ever built. It is today the most complete line of steel office equipment made.
It includes everything from waste baskets to safes. The few representative ART METAL products shown here will give you some idea of the wideness and adaptability of the line, and our large volume production and economies in manufacturing enable us to offer ART METAL Steel at the price of wood equipment.
We will gladly mail you a catalog describing the complete ART METAL line. Write for it now.
Art Metal
JAMESTOWN, NEW YORK
Steel Office Equipment, Safes and Files
Art Metal
Jamestown, New York
U. S. A.



Cut Your Handling Costs With Dependable Conveyor Equipment

One of the most modern plants in the country for the handling of sand and gravel is that of The Ohio River Sand Company, at Louisville. Here material is brought in by river barge and unloaded by the Brownhoist Bridge Crane. It is then distributed to various bins by a series of Brownhoist Belt Conveyors.

Brownhoist equipment is built for hard work and years of continuous service. Behind each Brownhoist unit is the wide experience of the Brownhoist staff of engineers. Their proved knowledge and skill in meeting handling problems insures the installation of equipment best adapted to your particular need.

Brownhoist engineers have helped reduce handling costs for hundreds of plants. Their advice is available to you for any type of handling problem.

The Brown Hoisting Machinery Co., *Cleveland, O.*

Brownhoist Products: Heavy Dock Machinery, Locomotive Cranes, Bunkers, Conveyors, Bridge Cranes, Buckets, Etc.
Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans, London, Eng.

BROWNHOIST

MATERIAL HANDLING MACHINERY

When writing to The Brown Hoisting Machinery Co. *please mention the Nation's Business*

The NATION'S BUSINESS

VOLUME 11, NUMBER 12 NOVEMBER, 1923

A Magazine for Business Men

Taxes—What May We Expect?

By WILLIAM R. GREEN

Ranking Member of the Committee on Ways and Means

Our federal tax bill is dropping. It may drop further if Congress can resist the temptation to spend the surplus that is indicated.

Representative Green is senior Republican member of the Committee on Ways and Means. If precedent is followed, he will be its next chairman and will have a guiding hand in financial legislation, for from that committee come all measures for raising a revenue.

But the business man, as Mr. Green points out, has a tax problem nearer home. State and municipal taxes are growing—a point which Mr. Green here makes plain.—THE EDITOR.

TO BUSINESS men one of the most important subjects of the day is taxation. Prior to the World War our federal taxes were so light as scarcely to be noticed and no one was seriously affected by them. But the great war laid heavy burdens upon us. Our interest payments on loans are one-third more than the total expense of carrying our National Government before the war if we except the expense of the Postoffice Department which is repaid to the Government.

Nearly a billion a year is required to care for the disabled veterans of the late war and to meet other payments growing out of it. Our army and navy each costs more than double what it did before the war and the Government has entered upon new activities and operations. The cost of carrying on all the departments has greatly increased and altogether we are appropriating more than three times what was needed before the war.

In 1921 the total of taxes paid in the United States was $8,950,000,000, of which $4,062,000,000 were state and local taxes and $4,888,000,000 were federal taxes. Since then federal taxes have been greatly reduced, but state and local taxation is apparently on the increase.

Business men are of course interested in all taxation, but more particularly in federal taxation. The greater portion of the taxes levied by the state is of such a nature that it can and usually is passed on by the business paying it; but the federal taxes on individual and corporation incomes cannot be passed on.

It is often asserted that all taxes are passed on. If this were true, business men would be only indirectly affected by them, and the parties principally interested would be those upon whom they eventually fell. Even when taxes are passed on to the consumer or the user, it is obvious that they may affect the amount of business done, or a rise in prices usually restricts the demand of goods to some extent.

Business, therefore, is vitally interested in federal taxation. A learned judge of the Supreme Court once said that "the power to tax is the power to destroy." While taxation is seldom carried to the point of destruction it always affects business, and the threat of unnecessary, destructive, or improper taxation puts a brake on progress and deadens initiative.

If business is injured by taxation the injury is not confined to those conducting it, but spreads among the public at large to an extent depending upon the nature of the business affected and how necessary it is to the public. On the other hand the legislator's primary concern is the welfare of the people at large.

Taxes can be so levied as to injure the masses who do not in the ordinary sense of the words carry on business, but consume the products of business or make use of its services. The point is so often overlooked that it cannot be unduly emphasized. It is just as true that to injure the welfare of the masses by taxation injures business as it is that to injure business is to injure the masses. Business can prosper only among an orderly and law-abiding people.

There is nothing which so fosters discontent and creates social unrest as a system of taxation which bears unreasonably or unfairly upon the masses. There was a time that people could be taxed without knowing it by means of imposts and excises which were paid in the first instance by those who neither used nor consumed the articles upon which they were laid but which in the end were passed on to the final consumer. Our citizens are too intelligent to be deceived by any such methods.

Unjust taxation has resulted in the overthrow of many governments and even so strong and stable a government as ours would be endangered by it.

The basis of prosperity is individual effort. This is true alike with the ordinary worker and the business man. Take away the incentive to effort in either case and a brake is put upon business. We should seek a system whereby all who are willing to work and save can find the opportunity.

While every business man desires taxes reduced, and some would have them differently imposed, a chief complaint is against the complexity of our income taxes and the delays in their final settlement. Naturally a demand arises that they be simplified, but no one who has not had legislative experience with taxation problems can realize how difficult it is to comply with this insistent request.

While taxation is a science in the sense that a knowledge of the correct methods and practice is acquired and developed by experience and study, it is far from being an exact science. Indeed every tax expert will admit that there never was a perfect tax and there will never be. All have their defects and none work with complete equality between those to whom they apply.

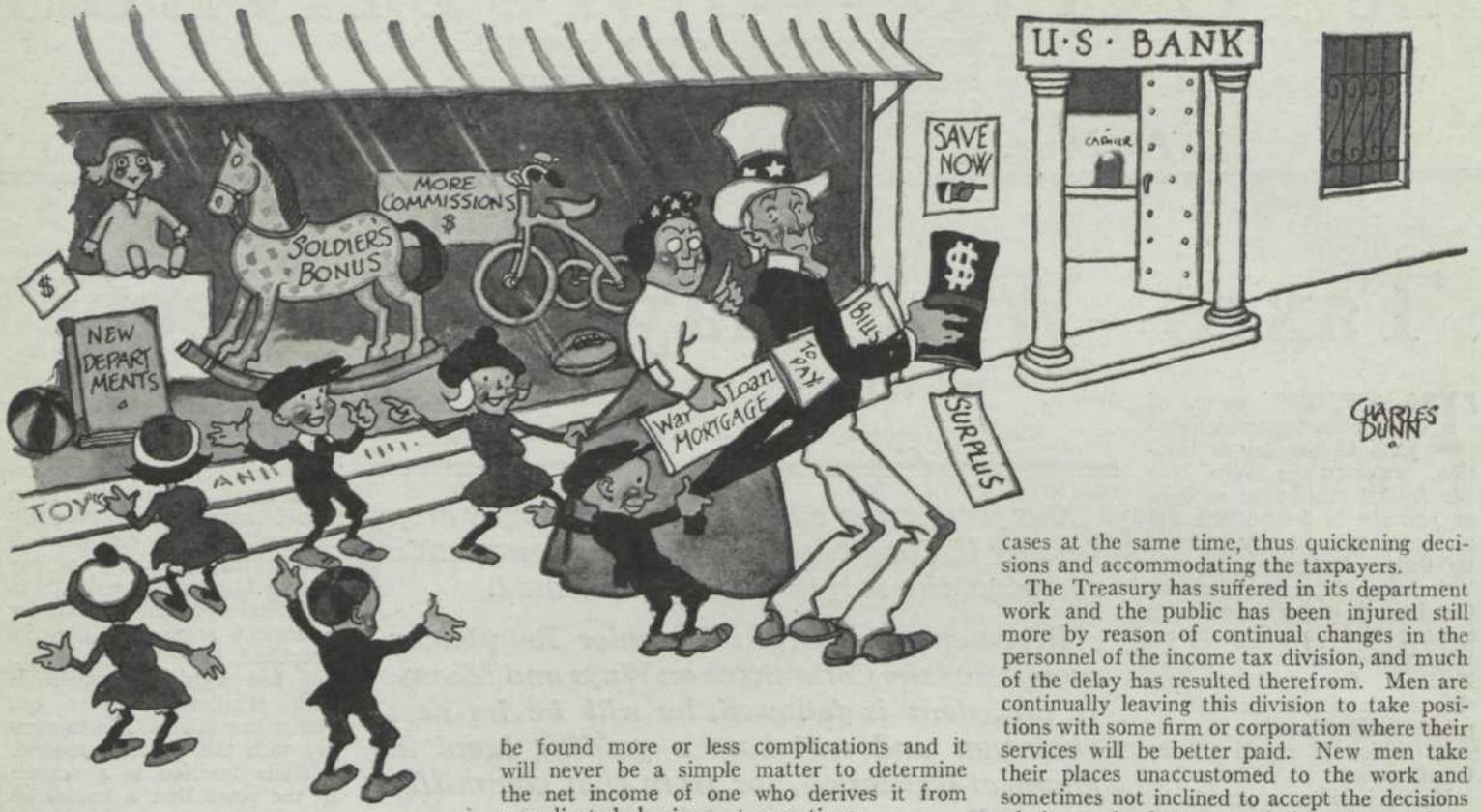
Strange as it may seem, it is often the case that the simpler the method employed, the greater the inequality between those who pay the tax. If the tax is so light that it is scarcely felt by anyone its effect is negligible, but the inequality exists just the same.

To illustrate: An occupation tax on real estate dealers is a very simple one. If in a large city the tax was $10 for each concern it would matter little that it was inequitable, but if it was $1,000 it would put out of business some small concerns, while it would hardly be felt by a large institution of whose receipts the tax would constitute an unimportant part.

Under conditions which existed before the war our federal taxes were so light that it was not very material how they were imposed; but the enormous sums now required necessitate a more just system under which taxes for the larger part at least are apportioned in accordance with the ability to pay them. This cannot be done by short and general rules no matter how simple they may appear to be.

It would be easy to write a short and perfectly simple income tax for both individuals and corporations, but the hardship and inequity and even ruin thereby brought about would raise a storm of wrath which would make the present complaints seem like a gentle zephyr. On the other hand, expanding the law adds in some ways to our difficulties, for in our effort to equalize it we have added to its complications.

It does not follow that nothing can be done to simplify the income tax. Both the treasury officials and the Ways and Means



Committee are making every effort in that direction. The last revenue law provided for the creation of a special board for that purpose, of which some of the members were intended to represent the public. This board spent much work and time upon the income tax but in the end was unable to present any definite plan, or do anything more than make some changes in the treasury regulations of doubtful value.

A special board of experts from the Treasury Department has been working for the same purpose ever since the last session of Congress adjourned. Experts not in the employ of the Government have been called in and suggestions from any outside experts have been welcomed. There is every reason to believe that tangible results will come from its work, although it has spent much of its time on changes in the law proposed with a view to better carrying out its purpose.

It is my belief that improvement in the way of simplification will come not so much from the changes in the law itself as in clarifying the treasury regulations and in stabilizing them. These regulations have become so numerous that difficult questions are decided by them rather than by the law itself. At a recent meeting of the National Tax Association where the tax experts of the country were gathered together, no suggestions were made as to how the law itself could be clarified but many which might well be heeded were expressed with reference to improvement in the federal regulations.

As time goes on many matters now in dispute will become settled by precedents and the public will be accustomed to the workings of the law. Much that now seems difficult and hard to understand will become common knowledge on the part of business men; but in the infinite variety of business transactions and methods there will always be found more or less complications and it will never be a simple matter to determine the net income of one who derives it from complicated business transactions.

As before stated, it has often been found that in the effort to simplify the income tax either by changing the law or by changing the regulation we have added to its complication, although we may have simplified it as to the one under special consideration. To avoid this the treasury experts before recommending a change endeavor to ascertain the effect of the proposed amendment upon every conceivable situation that can arise, but it is practically impossible to have every case in mind.

Much ingenuity is used in devising methods of escaping taxation in whole or in part. Some of these methods are legitimate, some are not; but in either case the effect is to make taxation apply unequally and render changes or additional provisions necessary.

With reference to the delays which ensue in making a final determination of the corporation or personal income tax, the business man has a just complaint. There is no good reason why present conditions should exist. The treasury officials say that they do not have sufficient force to keep up with the work, but Congress believes this is not the root of the trouble.

Personally I am of the opinion that a court of tax appeals should be created within the Treasury to take the place of the board which now determines appeals. The members of this court should be paid enough to obtain and keep competent men. It might be separated into divisions and hear appeals in different cases at the same time, thus quickening decisions and accommodating the taxpayers.

The Treasury has suffered in its department work and the public has been injured still more by reason of continual changes in the personnel of the income tax division, and much of the delay has resulted therefrom. Men are continually leaving this division to take positions with some firm or corporation where their services will be better paid. New men take their places unaccustomed to the work and sometimes not inclined to accept the decisions of those who have gone before them. Considering the difficulties under which it lives, the income tax division has functioned well and at each session of Congress has been able to present to it some change or amendment which would clarify or improve the law.

Our income tax is open to many objections both in the method of its application and in the system of its collection, but there is no probability of its being abolished although it may be modified in form or the rates reduced. With all its defects it more nearly approaches the great principle that taxes should be paid in accordance with the ability of the taxpayer than any other method.

As to this principle the minds of the best political economists and of the people at large are in complete accord. There have been many propositions to substitute other taxes for the income taxes, but Congress has consistently refused to approve them and the opposition has become stronger.

There is one serious defect in our system that cannot be remedied without a constitutional amendment. No more dangerous evil in our tax system exists than the privilege granted to states and their subdivisions of issuing tax-exempt securities, and none that so much affects business. It causes an enormous loss in revenue to the Government which must be made up by taxes which bear directly or indirectly upon business, so that it penalizes the man whose investments are in active business in favor of the bond-holder.

By withdrawing capital from active business it raises the interest rate on money therein employed. It encourages government-owned enterprises of which neither the property nor the securities are taxable. It has brought about a perfect orgy of spending on the part of municipalities until the volume of tax-exempt securities outstanding, estimated to be $10,000,000,000 in 1921, is increasing at the rate of more than a billion a year. This in turn increases local taxes to

"When the average citizen is as careful about how public funds are spent as he is about spending his private salary, we will not hear any more about government extravagance."

SECRETARY MELLON.

pay interest thereon, and is piling up an immense indebtedness to be met by future taxation.

The amount of such securities issued is so much more than can be absorbed by those paying high surtaxes that the state or municipality issuing them gets little benefit from the exemption privilege, but the special privilege granted to the holder of these securities is naturally productive of social unrest.

Besides this nothing can be more illogical or impractical than the present system of imposing high surtaxes on the incomes of great capitalists which are derived from active business, and at the same time opening wide the avenue of escape and inviting them to enter upon it.

We are losing revenue by this system instead of gaining it and injuring business by forcing the large investors to put their money in tax exempt securities. As everyone knows, a constitutional amendment designed to prevent the further issuance of tax exempt securities passed the House at the last session but was not acted upon by the Senate. It will be reintroduced at the next session.

The present plan and rates of taxation, if our Government carries on substantially the same operations, will probably produce a surplus of from two to three hundred millions during the next fiscal year. No very exact statement can be made at this time, as the report of the Budget Bureau has not yet been issued. We have been applying the surplus toward the payment of the national debt. This surplus is over and above the payments on the sinking fund which in itself would extinguish the debt in twenty years.

We do not need to burden business by reducing it more rapidly, and certainly we should not collect taxes merely to pile up a surplus which would invite extravagance. As matters now stand we could well make considerable reductions in our taxes, and reductions in the personal income tax all along the line would seem to be first in order.

But all this is assuming that the Government will not enter upon new enterprises which largely increase its expenses. Many political prophets freely predict that the next Congress will pass a "soldiers' bonus bill."

If a bonus bill is passed it will absorb the surplus and it might be drawn in such a way as to require additional taxation. If it followed the same general plan as the bill that passed the last Congress there would be sufficient revenue for several years without new taxation. This matter may be summed up by saying that if a bonus bill becomes a law there is not likely to be any substantial reduction in taxation.

While there is much room for improvement in our tax system we have reason to congratulate the country in many respects. Under it we have successfully financed a great war, paying not only our own expenses but a large portion of those of our allies. Since the war we have made immense reductions in the national debt, and at the same time greatly reduced taxation.

While taxation was and still is heavy it has not stopped the progress of the nation nor the advance in business. The wealth of the country is increasing by leaps and bounds, and so great has been the increase in capital accumulations that instead of being a debtor nation we have become the greatest creditor nation of the world. We are continually loaning immense sums abroad besides absorbing at home double the amount of securities that were issued before the war. We have not only balanced our budget but have had a surplus each year. Today the movement of commodities on the railways has reached the highest point ever known. Our exports and imports are double what they were before the war.

The remarkable gain in savings bank deposits, the growth of building and loan associations, the distribution of automobiles, and the demand for the articles which go with the higher standard of living all show that the condition of the masses has improved in proportion to the increase in business. These results shown so soon after the war reflect credit upon all departments of the Government, and show that our tax system, while not all that could be desired, has not prevented prosperity in business.

Can't We Carry Freight to Your Door?

By W. J. L. BANHAM

General Traffic Manager, Otis Elevator Company

THE SETTLEMENT of most transportation problems of national and general concern depends largely upon the understanding of them and upon the realization that the interests of the carriers, shippers and the public are for the most part identical.

Every American business man is intimately concerned with "traffic" matters. The results which the railroads attain in moving his traffic mean good hard dollars and cents to him. There was never a time in the history of the railroads when a more determined effort was made to give the shippers high-grade service.

L. F. Loree, President of the Delaware and Hudson Company, has prepared a chart analyzing the average movement of the freight car. According to his computations, an average journey of a car—its original trip loaded or empty—comprises fifteen days. The actual road movement represents but one and one-half days. The rest of the time is consumed in movements to, and delay on, storage and repair tracks; movement to, and delay on, interchange tracks and through intermediate yards; movements for loading and unloading; holding "to order" cars for reconsignment, etc.

Ten per cent of the freight car's life consists of line haul; 90 per cent of its life is spent in yards, terminals, on side tracks, in storage or on the spur tracks of private industries awaiting loading or unloading.

Terminals—terminals misplaced as to location, inadequate in size or obsolete in design; terminals constantly congested and with fair prospects of receiving a constantly increasing, rather than a diminishing volume of business; terminals everywhere, slowing up railroad operation, eating up a progressively greater proportion of the revenue accruing from the traffic handled through them; the graveyard of freight cars and the despair of the operating officials!

With hardly an exception the main lines of railroads in the United States have sufficient capacity for the movement of all freight that can be offered to them and, generally speaking, rail transportation is restricted only by the complicated movements and delay of cars and freight within the terminal areas.

The railroads must either enlarge or add to their present terminal facilities or find a way to pass more freight through them. The enlargement or multiplication of terminal stations and team tracks in important terminal areas is practically impossible because of the prohibitive cost and the objection of municipalities to the enlargement of railroad holdings of real estate in territory deemed necessary for further industrial and commercial development.

Under the prevailing system of miscellaneous cartage which, with very few exceptions, is in use in all terminal areas in the United States, each trader sends to the terminal station his own or a hired vehicle, to deliver or receive his particular freight. As a consequence, the streets leading to the terminal station are burdened with innumerable trucks and wagons containing only part loads. The greater number of these vehicles are drawn by horses and contribute to the congestion far more than would the same number of motor trucks.

The substitution of an organized trucking system for the miscellaneous, haphazard service now employed for station work, would greatly reduce the number of vehicles on the streets. It would speed up street traffic and it would reduce the danger to pedestrians.

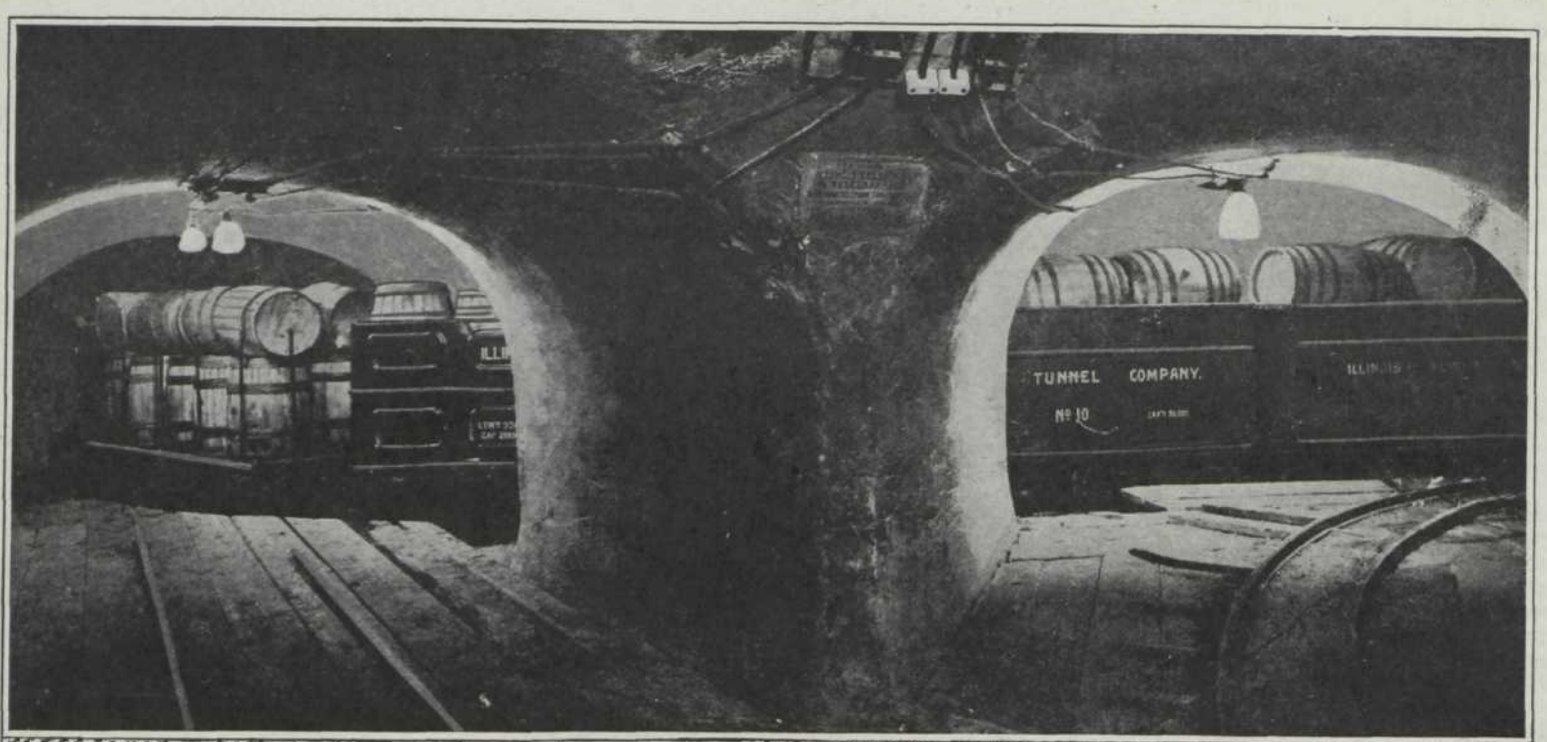
The shipping public is being urged today by carriers to load cars to capacity and to unload and load promptly, which would mean the use of much additional equipment now idle due to conditions over which the carriers do not seem to have control. There is a limit, however, to the amount of freight that can be loaded on cars, which is controlled in a great many instances by commercial conditions. This is not true, however, as far as the prompt unloading and loading of cars is concerned.

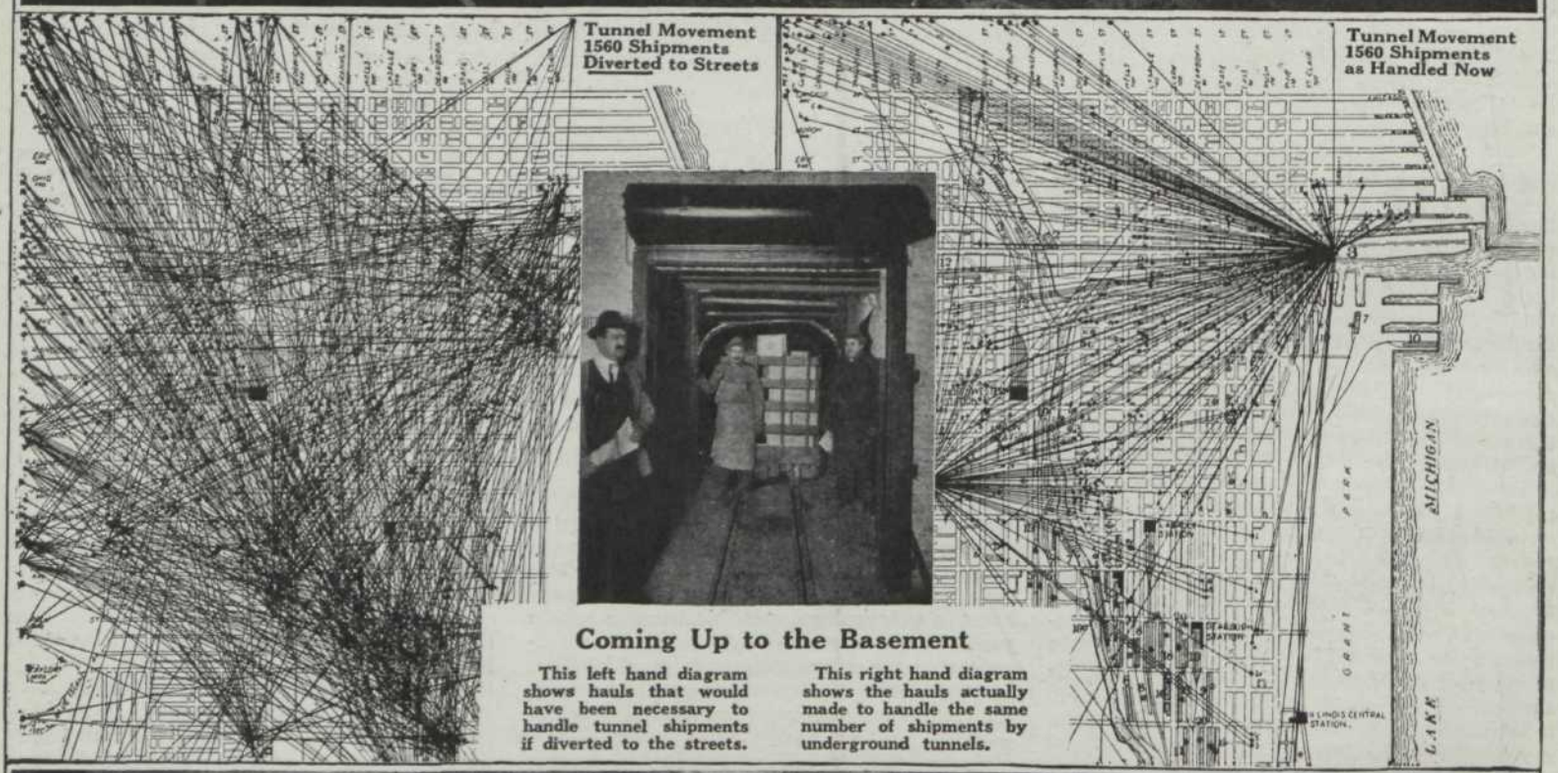
The carriers urge that this be done but make no recommendations as to how it can be done. I will, therefore, call attention to the necessity of the closest cooperation between all parties in interest of some method which will tend to speed up what we might call "terminal transportation." This applies particularly to less-than-carload freight.

The prevailing practice is to unload less-than-carload freight from cars into the freight houses and to place carload freight on delivery tracks and then notify the consignee of the arrival of the goods by mail. Less-than-carload shipments remain in the freight houses of the railroads an average of three days; carload shipments remain on delivery tracks in excess of two days. A well-organized store-door delivery plan should make the freight house space available for use not less than twice a day, instead of once every three days; thus the capacity of these facilities would be increased sixfold. The capacity of delivery tracks should, under the store-door delivery plan, be increased fourfold.

Their investment in freight house and delivery tracks space represents an item of expense that is frequently lost sight of by the railroads in their computations of cost incident to the handling of traffic involving the use of these facilities. Attention is, therefore, directed to the fact that this item alone in some localities, represents an expense of three dollars per ton on less-than-carload traffic and as much as ten dollars per day per car on carload traffic.

It is plain, therefore, that an increase in the capacity of an existing facility results in a reduction in the overhead expense of operating

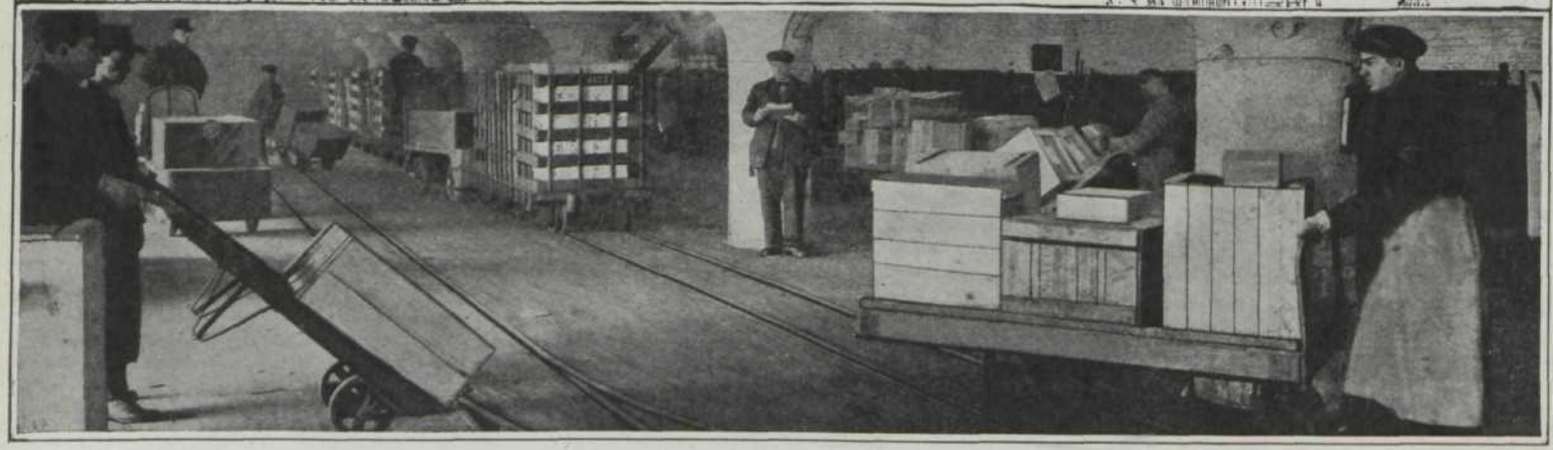




Coming Up to the Basement

This left hand diagram shows hauls that would have been necessary to handle tunnel shipments if diverted to the streets.

This right hand diagram shows the hauls actually made to handle the same number of shipments by underground tunnels.



Forty Feet Under the City of Chicago

These photographs show the freight delivery system developed in Chicago to take traffic off the streets in the so-called loop district. The upper picture shows a junction point underground. The lower picture shows one of the receiving stations for freight.

the facility, provided that the increase in capacity may be utilized. With the reduction in the overhead expense, and a substantial reduction in the labor cost of handling freight through freight houses, the railroads could well afford to offer the consignee, as an inducement to avail himself of store-door delivery service, a rate substantially lower than he is now paying.

Plan Must Lower Costs

UNLESS the plan is made attractive to the consignee, the volume of traffic influenced by it will not be sufficient to afford freight houses and delivery tracks any material relief. And by making available to the consignee a better service at a lower cost to him all grounds for criticism and objection will be removed.

If we are to speed up the movement of freight passing through our terminals, it will be necessary for the carriers and the shippers to agree upon and develop a system of store-door delivery and collection service. This would mean the more intensive use of the present terminal facilities and would make it entirely possible to handle a heavier tonnage both in- and outbound.

It is important that the rail carriers have control of their freight terminals in order that they may be cleared promptly of in- and outbound freight, which does not seem to be possible under the present method of handling freight moving over the carriers' platforms and freight terminals.

What is needed at the present time is closer cooperation between the shippers and receivers of freight and the rail carriers. The lack, however, of a definite plan to handle this class of freight has resulted in the freight remaining in the carriers' terminals to the extent that there is more or less freight congestion at all times. When the congestion becomes acute, freight embargoes are issued by the carriers, which results in the partial stoppage of freight movement to the terminals until they are cleared. It further results in delaying the carriers' equipment, which is needed at this and all times.

The present cost of handling freight through the terminals warrants the carriers taking all steps possible toward the prompt removal of freight from their terminals. No storage charge is sufficient to reimburse the carriers for freight held in their terminals, on account of the space occupied, the extra labor through consequent congestion, and the cost of shipments lost or damaged caused by storage and congestion. Transportation of freight is not completed until the freight has been moved all the way from the premises of the shipper to the premises of the consignee.

If a steady stream of freight could be handled in and out of our terminals the carriers would be relieved of much labor expense and under proper methods the present terminals would be entirely adequate to handle all freight properly.

A well-organized system of store-door delivery would solve the problem.

Already Success in England

WHILE the store-door collection and delivery of freight shipments by instrumentalities, either directly or indirectly connected with the carriers, has long been an established English custom and later a development of Canadian Railway practice, this form of service has never been inaugurated generally by the American railways. It was, however, placed in operation in Baltimore in 1867 by the Philadelphia, Baltimore and Washington Railroad, and when that road became a part of the Pennsylvania Railroad system in 1881 the "store-door" collection and delivery service was continued.

The Baltimore & Ohio Railroad did not meet the Pennsylvania Railroad in this respect until 1886, when its Philadelphia and New York extensions were completed; but in that year the service was established in Baltimore and Washington, simultaneously, by the Baltimore & Ohio Railroad. The Pennsylvania Railroad had extended the service to Washington in 1883.

This store-door delivery plan, as it was known, remained in daily operation for forty-four years, but on September 19, 1911, Caesar E. Cassassa, an Italian fruit and confectionery merchant, in Washington, filed a petition with the Interstate Commerce Commission, alleging discrimination because of the failure of the carriers to deliver freight to him at his place of business, located slightly north of the boundary line or zone in Washington, which ended on the north at Florida Avenue, while free delivery was made to a competitor on 14th Street south of Florida Avenue.

The commission held that unjust discrimination was established and required the carriers to extend the zone to include the complainant's place of business.

The Cassassa case interested the citizens of Anacostia, a section of southeast Washington detached from the city proper by the eastern branch of the Potomac River, but connected by a bridge of about one-quarter of a mile in length. The citizens of the community filed a complaint with the commission alleging unjust discrimination, in that the boundary line or zone ended at the city side of the bridge and did not extend to include the business community of Anacostia. The commission held in this case that the denial of this free store-door pick-up and delivery service to the citizens of Anacostia, while such free service is extended to the other sections of the city of Washington, was unjustly discriminatory and ordered the extension of the zone to include Anacostia.

History of Washington Experience

THE decision in the Anacostia case precipitated action on the part of the carriers, and rather than submit to the decision of the commission, extending the zone limits to a point beyond Anacostia, they filed tariffs with the Interstate Commerce Commission to become effective on March 1, 1913, withdrawing the store-door delivery service in Washington. It remained in effect in Baltimore. A storm of protest immediately developed, and upon application to the commission these tariffs were suspended. In this decision the commission made use of the following language:

> It must be said in passing, that the service as now rendered at both Washington and Baltimore presents features which, in the absence of further explanation, appear to be grossly discriminatory. For instance, the merchants of New York City or of Philadelphia may now ship certain property to Baltimore or to Washington and receive store-door delivery without extra expense. The merchants of Pittsburgh, Pa., Cleveland, Ohio, Buffalo, N. Y., or even Jersey City, N. J., or Wilmington, Del., however, when shipping like property to either Baltimore or Washington must pay rates which are substantially in line with those charged from New England, New York and Philadelphia, and must in addition, pay or sell upon a basis that will enable their consignees to pay drayage charges at Baltimore or Washington.

This decision of the commission in the Washington case simply hastened the inevitable, and on September 1, 1913, the carriers withdrew the service at Baltimore and Washington. The commission declined to make any further suspensions of the carriers' tariffs pending a hearing of the Baltimore interests, so the tariffs went into effect on September 1, 1913. On that date and long afterward the terminals of the carriers in both Baltimore and Washington were scenes of the utmost and dire confusion. Freight jammed the platforms and warehouses and overflowed to the outside in mountainous masses.

Facilities Still Short

AFTER the withdrawal, in 1913, as the congestion continued to grow worse, it became necessary for embargoes to be placed, and for several months embargoes upon practically all freight were in force, but as the shippers and receivers perfected arrangements with the transfer companies to receive and deliver all shipments from and to their places of business, some order took the place of the chaos that had reigned. A large number of the business establishments of both Baltimore and Washington were forced to add additional teams and automobile trucks to properly take care of their business; and there has never been provided, either at Baltimore or Washington, sufficient facilities and terminals to properly take care of the traffic passing through the hands of the carriers.

While the means that were adopted to deliver freight at the stations and to remove the freight from the stations were efficacious, delays in delivery were marked, principally, because of the fact that under the store-door delivery plan no notices of arrival were sent to the consignee; and as they were now compelled to await the arrival notices, it also became necessary for the carrier to hold upon the station platform the freight for which arrival notices had been mailed and which freight was added to daily by shipments unloaded the following day or night.

Canada has solved the terminal congestion problem by the adoption of store-door delivery. Practically since the inception of railroads in eastern Canada carriers have provided in principal distributing centers a cartage service to and from their freight terminals and the warehouses or store doors of the shippers and consignees. Both services appear to be economically sound, even when viewed from the standpoint of the carriers' interest.

The service is operated in eastern Canada by the carriers under contracts or agreements with the teaming companies acting as their agents. It applies to traffic rated in the Canadian Freight Classification as fifth-class or higher, less than carload and carload, with the exception of bulk freight or articles weighing 2,000 pounds or over, per piece or package.

Tariffs are issued by the Canadian carriers for the teaming service and are filed with the Canadian Railway and Interstate Commerce Commissions as terminal charges. Rates named in the tariffs apply only within the areas embraced in what is termed cartage limits.

Canada Charges Are Down

IN THE territory west of Port Arthur, cartage tariffs are not issued by the carriers, although at the principal distributing centers a service very similar to that in eastern Canada is provided by the large teaming companies operating in connection with the different railroads, the only practical difference being the issuance of rate schedules by the teaming companies themselves and the direct responsibility of the teaming company to shipper and consignee for loss or damage to goods being transferred to and from the carriers' terminals.

It is interesting to note the reasonable teaming charges in Canada, which are made possible by organized teaming under a store-door

delivery service. The cartage rates to and from some of the principal terminals are given below and cover delivery to what is known as the wholesale and manufacturing districts, a radius of approximately two and a half miles from the terminals.

Minimum charge in cents for any one consignment.

	Carloads	Less Carloads	300 lbs. and under	Over 300 lbs.
	Cents per	100 lbs.		
Montreal	5	7	30	40
Atwater	5	7	30	40
Hochelaga	5	7	30	40
Mile End	5	7	30	40
St. Henry	5	7	30	40
Toronto	4	6	30	40
Don	4	6	30	40
No. Toronto	4	6	30	40
Parkdale	4	6	30	40
W. Toronto	4	6	30	40
Chatham	4	5	30	40
Guelph	4	5	30	40
London	4	5	30	40
Ottawa	4	5	30	40
St. Hyacinthe	4	5	30	40
Three Rivers	4	5	30	40
Bothwell	3½	4	25	35
Glencoe	3½	4	25	35
St. Thomas	3½	4	25	35
Thamesville	3½	4	25	35
Tilbury	3½	4	25	35
Hamilton	3½	5	30	40
Windsor	3½	5½	35	50

The same cartage rates prevail on outbound shipments moving from the shippers' warehouses to carriers' terminals.

Canada Gets Quick Deliveries

AS ALREADY stated, the service in eastern Canada is governed by tariffs issued by the carriers and applies to practically all traffic coming under the generally accepted terms of merchandise and package freight. It contains many advantages to the carriers, shippers and consignees.

With the exception of such consignees as have elected to do their own teaming and have so notified the carriers, no advice of arrival is given. The freight is billed to the the teaming companies operating for the car- is delivered from terminal, or car, if a carload, within a few hours of unloading or placing of car on team track. The teaming companies have their own superintendent in the freight terminal, whose business it is to see that trucks are promptly dispatched with loads for deliveries within certain areas or zones, with the result that freight is usually in the consignees' warehouses before an arrival notice could reach them by mail.

All freight is moved through the carriers' terminals or from cars with a minimum of delay and freight charges, and receipts of delivery of freight are obtained from consignees through the teaming companies.

The same principle governs outbound shipments. The shipper telephones the teaming companies operating for the carriers over whose line he desires to ship, that he has a load or a half load as the case may be. The orders are consolidated by the teaming companies serving the districts in question, freight is picked up at shippers' warehouses and bills of lading signed by the teaming companies as agents for the carriers. It is then in transit, the carriers' responsibility under the system beginning at shippers' warehouse doors on outbound.

No orders for trucks are accepted by the teaming companies after 3 p. m. to be filled that day, as all outbound loads either have to be in the carriers' terminals or on line for unloading before 5 p. m. The system contemplates loading all cars and forwarding all outbound shipments unloaded into the terminals each day.

It is thought that 95 per cent of the shippers and consignees in towns and cities where they have store-door delivery use the carriers' teaming service, and it is plain that this service must be a fairly satisfactory one to the public. The teaming companies handling such a large percentage of the traffic are enabled to arrange their loading and to utilize their equipment to the greatest possible extent.

While it is generally admitted that store-door delivery has proven a success in Canada, the question arises as to whether or not the same system can be used for moving freight to and from the terminals in this country. It is my opinion that the principles of store-door delivery could be made effective in the movement of freight to and from our terminals, save that it would be necessary to make changes to cover varying conditions in different parts of the country.

What has been said covering the operation of store-door delivery in Canada is equally true in England. The English railroads almost since their inception have had under their control a pick-up and delivery system. All freight shipments are picked up by the teaming companies representing the carriers from the shippers' warehouse and are delivered by the same agencies direct to the receivers' warehouse. The advantage to the English railroads by using store-door delivery is that it enables them to pick up less-than-carload freight from the shippers' warehouses and deliver the same to the receivers' warehouses within 24 hours, covering a freight movement of varying distances up to 240 miles.

It is a standard freight movement for a manufacturer in Bradford to ship his woolen goods from the mill late in the afternoon and delivery is made in London the next morning. This covers a freight movement of approximately 220 miles. On distances beyond 240 miles up to approximately 420 miles, shipments are made and delivered within forty-eight hours.



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Waiting in the traffic crush, West Street, New York City

Compared with similar movements over the American railroads, the advantages of store-door deliveries show clearly that the English lines solved their terimnal problem and it proves what is to be gained by organized methods as against the disorganized methods now being used in handling freight to and from terminals in this country.

The freight that in my opinion could be best handled through a store-door delivery system would be such freight as requires station or platform service. In our large cities it would be necessary to create one or more zones according to the hauling distances, varying rates to apply. This freight should be unloaded by the carriers in the terminals according to zones and could then be turned over to the teaming companies and delivery made the morning of arrival.

The lack of system and cooperation between the carriers, shippers and receivers of freight, due to an indefinite system of handling in- and outbound freight, has cost the carriers and shippers millions of dollars per year, which the public is ultimately required to pay. The trucking expense to and from freight terminals is costing the shippers and receivers of freight enormous sums, the greater part being caused by delay and congestion. Eliminate these conditions and the result should be decreased terminal expense for the carrier, decreased trucking expense for the shipper, and the prompt movement of freight.

If store-door delivery makes possible these savings why is it not adopted? I have not been able to ascertain any good and sufficient reason, with the exception that the carriers have felt at times that if store-door delivery were placed into effect as a carrier's service it might result at a later date in the carriers being required to absorb the teaming charge as part of the through rate. In advocating store-door delivery I have made it clear that the shippers and receivers of freight will be required to pay an extra rate for teaming.

All Objections Easily Met

THE second objection to store-door delivery seems to be the question of liability for loss and damage to shipments when moving between the freight terminals and the shippers' warehouses. The carriers could protect themselves from claims of this character if the teaming was part of the carriers' service, by companies operating to and from their terminals. This, however, in my opinion, is a minor detail and can easily be adjusted between the interested parties once the principles of store-door delivery are agreed upon.

A leading authority on railway carting in Great Britain recently expressed his opinion as follows.

It may perhaps help you in your campaign if I tell you that from my very intimate knowledge of most of the large goods stations in England I am quite satisfied that unless the railway companies had many years ago undertaken cartage work themselves their existing depots would have been many times larger than they are today and we here would have been up against precisely the same problem as the one facing you in America.

Store-door delivery which would relieve congestion in the terminal areas and greatly increase the capacity of the freight stations is undoubtedly the greatest contribution which can be made to the solution of the problem.

If we are to have a modern system of transferring freight, it will be necessary to use modern equipment. The motor truck holds out many advantages for the transfer of terminal freight and under favorable conditions should be able to handle a great volume of freight which is now being handled by horse-drawn vehicles due to the antiquated methods in use.

In order that advantage can be taken of this plan within a reasonable time, the merits and economies which will result from its adaptation must be made plain to the shipping public as well as the railroad executives.



Thirty years ago this man was teaching school on the western prairies. Today he is the leader of the American Bankers Association.

He began his success by knowing his customers and neighbors well enough to be their adviser. Today he gives counsel in the highest quarters of American finance.

Introducing President Head

By JAMES B. MORROW

LET US ENTER into the pleasures of a beautiful story, no matter if crudely related across the threshold of a fatherly admonition and a gloomy prediction. Albert Derge, a small-town banker in Missouri, was foretelling the future, as he read it, to his clerk.

"Walter," he said, "if you leave my bank and go to St. Jo, you'll be swallowed up. St. Jo is a big city. The increase in your salary ($120 a year) won't do you any good. Your rent alone will cost you at least $15 a month. Here you live in your own house (on a small farm at the edge of town), and have a horse and a cow, and a garden. You'll have none of those things in St. Jo. If you settle there, nobody'll ever know that you are in town."

The prophecy of Albert Derge, honest, if touched, perhaps, with self-interest, was made seventeen years ago. During the last week of September, this year, Albert Derge, at his home in De Kalb, Mo., read in the newspapers that Walter, his old-time clerk, had been elected president of the American Bankers' Association, at the annual meeting of the association in Atlantic City.

And it was in Atlantic City that Walter William Head, the De Kalb bank clerk of the prophecy, salary $40 a month, said to me: "I owe a great deal to Albert Derge. He was neither an unintelligent banker nor a careless employer and I am thankful that he was not."

The Heads moved from Illinois, where Walter William was born forty-six years ago, to Missouri, the father in a covered wagon, and the mother and children in a railroad train. There, in Missouri, Walter grew up—on a farm. Also, understand, he was born on a farm. At the age of fifteen, having seriously considered the question for some time, Walter William surprised and alarmed his parents by saying that he meant to be a physician.

In those days, out on the prairies, country people, except occasionally, in obstetrical cases, did their own doctoring. Alfred Walter Head, and Margaret Jane, his wife, perhaps, regarded the practice of medicine as a waste of time. There were midwives, too, in almost every town. At all events, Walter William's parents tried to persuade their son to turn his mind to something else.

Well, after a struggle which was not soon ended, young Walter W. Head abandoned the thought of medicine and prepared himself for teaching. He would become a figure, he hoped, in the world of education—possibly the president of a college or a university. At the age of twenty-four he was elected principal of the public schools at DeKalb, a village of 362 inhabitants. He had married Miss Della Thompson, of St. Jo, the year before. He purchased a few acres of land, near the town.

The president of the school board owned a lumber yard and a hardware store and was cashier of the village bank. During his second summer vacation, Professor Head, as he was locally known, stopped at the hardware store of the president of the school board to purchase a cultivator. He dealt with the owner himself. Suddenly the hardware merchant, impressed possibly by the business methods of his customer, said: "Professor, how would you like to be a banker?"

That question gave young Walter Head something new to think about. And he thought about it.

Walter Head had rented forty acres of land, planted it in corn and harvested a large crop previous to his marriage. When Miss Della Thompson became his bride, he had thirty twenty-dollar gold pieces hid away in the bottom of his trunk. They, the bride and groom, spent $102.75 in going to housekeeping. The balance ($102.75 from $600) of $479.25, Walter Head continued, jealously and suspiciously, to keep in his trunk. It was in his trunk when the president of the school board and hardware merchant asked: "Professor, how would you like to be a banker?"

Nothing came of the question. But Walter Head, a thrifty and enterprising young man, kept turning it over in his mind. It is doubtful if he had ever been inside of a bank. He could recognize a bank, of course, by the sign in the window or over the door. Walter Head began reading books about finance and banking. Perhaps there might be something equally as honorable and profitable as school teaching.

After the schools of DeKalb closed, early in the summer of 1902, Walter Head, now twenty-five years old, was sent for by Albert Derge, president of the village bank. "I am on the paper of a merchant at St. Jo," Mr. Derge told Walter Head, "and am obliged to spend some time in that town looking after my interests. I want you to run my bank while I am away. If you know enough to teach school, you certainly ought to know enough to take care of my bank."

Walter Head said that he was doubtful on that point but that he was willing to try his hand at the task. "And what will you

charge me?" Mr. Derge cautiously asked. "I know," he added, "that school teachers are paid pretty well."

"I am getting $75 a month," Walter Head shrewdly and truthfully answered.

Albert Derge pondered the subject over for a moment and then said: "I'll tell you what I'll do. Come into the bank for four months. I won't pay you anything the first month while you are learning the business but will give you $30 a month until your vacation ends in September. By that time, I hope, my business at St. Jo will be finished."

Now, Walter Head, his crops planted, had already made plans for the summer. At first he meant to be a candidate for the office of county superintendent of public schools.

Then up rose another candidate, also a young man who was liked by the people. "I guess I'll be a Democrat," he had informed Walter Head at their first conference. At a later consultation of the aspirants it was agreed that it would be foolish for both to run. "Let's flip a coin and settle the matter," suggested the Democrat.

The agreement went further, however. Whoever lost was to be the other's assistant and, during four months, be an instructor at county institutes of public school teachers and receive a gross salary of $100.

Ten dollars isn't much nowadays—to a coal dealer or a plasterer. It was a sum worth considering, however, twenty years ago, out at De Kalb, in Missouri. Walter Head, his hoardings still in his trunk, gave up the instructorship and its compensation of $100, and accepted Albert Derge's $90 offer. In September, he returned to his principalship in the schools of De Kalb. But not for long. Again Albert Derge sent for him. "If you will come into my bank," Mr. Derge said, "I'll make you cashier and pay you $40 a month."

This offer also was accepted by Walter Head. School teaching went into the limbo.

Took Ten Per Cent Cut in Pay

THE loss of $35 a month by a man with a wife and baby, even if he had a cow, a horse and a garden and some land planted with corn, was a serious surrender. Walter Head was the cashier of Mr. Derge's state bank in De Kalb for three years. In the meanwhile he made the acquaintance of a young man employed at the American National Bank of St. Joseph. This young man, by letter, in course of time, asked Walter Head to call at the bank the next time he visited St. Jo. The letter was received at 8.30 in the morning. By 9 o'clock Walter Head was on his way.

In St. Jo and at the bank he was introduced to J. G. Schneider, a bluff man and the bank's president. A clerk was needed, Mr. Schneider said, and a number of persons were being considered. "Here's a paper," he ordered, "on which there are names of a good many men in this county (the county, by the way, in which De Kalb is located). Sit down at a desk and check the names of those whom you know personally."

The men of the paper, although Walter Head did not realize the fact at the time, were among the heaviest taxpayers in Buchanan County. He knew all of them. He had taught in teachers' institutes and had visited all the lodges of Masons in the county when he was on tours of inspection and instruction.

"I didn't ask you to check the names of the men you don't know," said Mr. Schneider curtly, when he examined the list, "but of the men you know."

"That's what I have done," Walter Head replied.

"Who's that man?" Mr. Schneider asked, placing his finger on a line of the paper.

"He's a farmer and lives in a large white house on Bee Creek. I have stayed all night at his home."

The finger of Mr. Schneider moved from line to line on the paper and whenever it halted at a name Walter Head was ready with a brief description of the man to whom the name belonged. The man was a merchant, for instance, or a lawyer, or a live stock buyer, and lived here or there or somewhere else.

Surprised, no doubt, and no doubt impressed, Mr. Schneider offered the cashier of the De Kalb State Bank a clerkship in his own bank and a salary of $50 a month. Walter Head, challenging obscurity and heedless of the sacrifice of his cow and horse, went to St. Joseph.

The Schneider bank did not have the account of the Derge bank at De Kalb. Naturally, therefore, when the cashier of the Derge bank became a clerk in the Schneider bank, the bank in St. Jo which did have the account of the De Kalb bank, believed that it would soon be transferred. This minor calamity was prevented, however, by the purchase of the bank of Mr. Derge. St. Jo and De Kalb, it is well to remember, are in Buchanan County.

The purchase, right under his own eyes, caused Mr. Schneider to determine upon a counter move of retaliation. So he said one day to Walter Head: "I want you to go to De Kalb and start another bank. You are to subscribe for fifty-five shares. Sell the other forty-five to the people there."

"But De Kalb hasn't business enough for two banks," Walter Head suggested.

"I don't care; go," Mr. Schneider answered.

The bank was started. So many persons asked for shares that Walter Head was compelled to limit the subscriptions. He had thirty local stockholders when he opened his doors for business. Before long the two banks at De Kalb were combined on terms dictated by Schneider and Head.

From 1908 till 1917 Walter Head was cashier of the bank at St. Joseph. In the latter year he was elected vice-president of the Omaha National Bank, and has been president of the same bank since 1920. Also he is president of the Omaha Safe Deposit Company and the Omaha Trust Company, and vice-president as well of the old Schneider bank and of the St. Joseph Life Insurance Company.

Civic matters also have received a large measure of his talents and attention. He is a member of the commission that is constructing a state capitol building in Nebraska which is to cost $5,000,000. He was a major in the Omaha Battalion, Nebraska Home Guard, during the World War. He is a member of the board of directors of the International Committee, Y. M. C. A., a regent of the Catholic University of Omaha and president of the Omaha Council of the Boy Scouts of America. For six years, Walter Head was a member of the Republican State Committee of Missouri. He is a 32 degree Mason and a Shriner.

Just as I was leaving him, at Atlantic City, Mr. Head said: "If you should write anything about me, I wish you would mention the fact that for many years I have taught a Bible class for men in the First Presbyterian Church of Omaha. It is the second largest class of its kind in the city. I have for assistants, as teachers, the principal of the public schools of Omaha and the general counsel of one of the greatest railroads in the United States. Three-fourths of the men in the class are not members of my church and many of them are not members of any."

Personally Walter Head is one of the most attractive of men. A six-footer, he is slender, nervous and graceful. His fine, steady eyes and hair are brown in color. Sincerity can be seen in every feature of his face and in his manners and conversation. He has read widely and his public addresses abound in historical and classical references. As for banking, he is familiar with the dealings of the money-lenders of Assyria, Babylon and Athens, as well as with the history of the banks of Great Britain, France, Germany and the United States.

"Banking today," he says, "is more than a business: it is a profession. The banker who now lives up to his opportunity and who recognizes his responsibility has the privilege—yes, the honor—of being the adviser of his customer and neighbor, the counselor of his community. He may, if he will, hold the same relation to the people that has heretofore been held by the circuit rider, the family lawyer and the family doctor.

"He cannot claim this relationship as a right; old-time prejudices determine that no resentment is aroused more quickly than that against the banker who seeks to force his advice upon his patrons."

Says Farmers Have Too Much Credit

"YOU have," I said to Mr. Head, "a farm of 2,200 acres near St. Joseph——"

"Yes," he interrupted, "and there is no better land in Missouri."

"On which you make a specialty of Poland swine and Hereford cattle——"

"Winning prizes with them at live-stock exhibitions," Mr. Head again interrupted. "I manage that farm myself," he added.

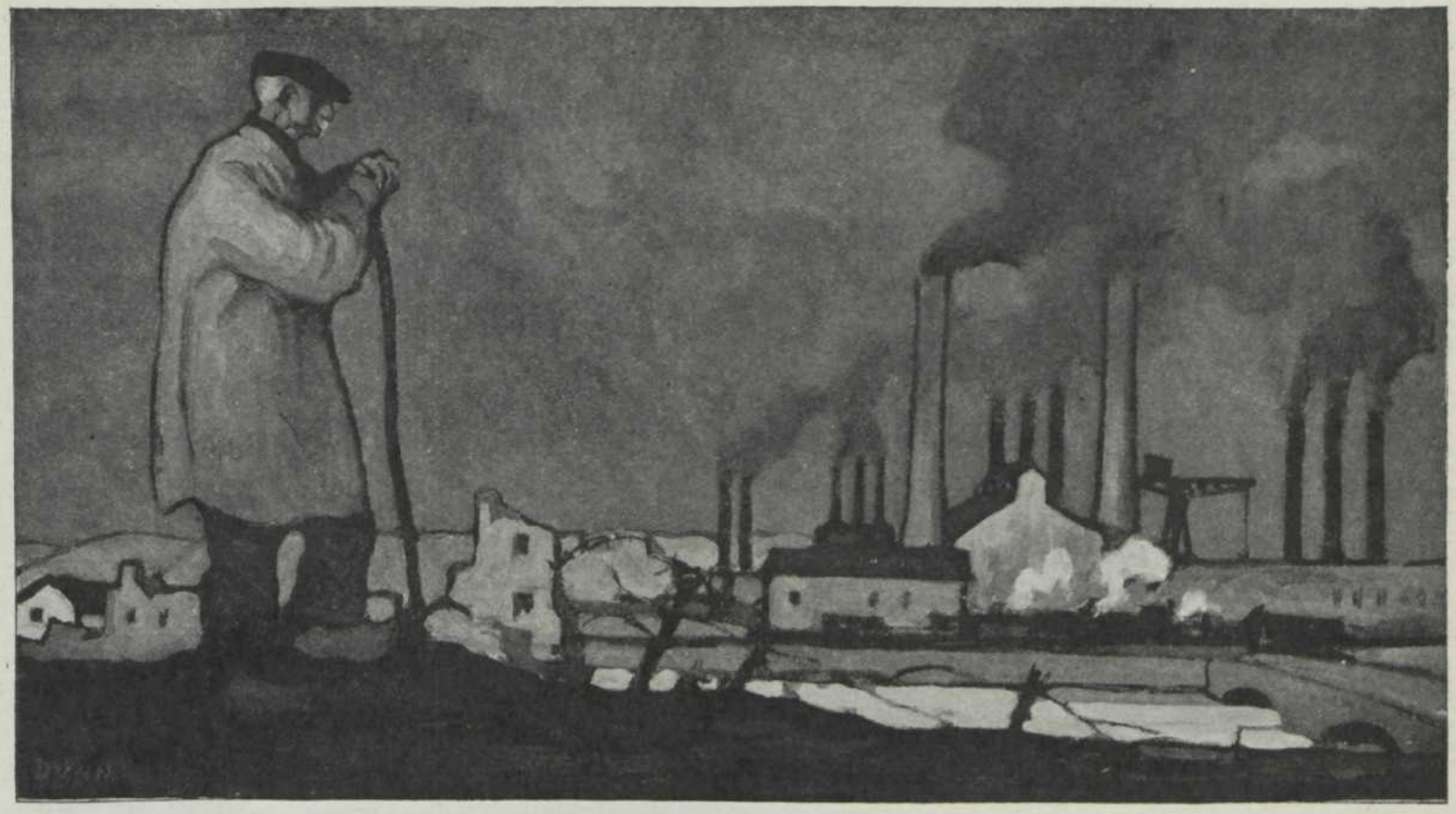
"So much the better," I said. "Now tell me, if you please, what really is the matter with the American farmer."

"The same things that are the matter with the American business man," he answered. "I have made a careful examination into farming as it is carried on in Missouri and Nebraska. I have found that half of the farmers in those states own their farms and that the farms are unencumbered by mortgages.

"Now these men, who are out of debt, are not making as much money as they did during the World War. Among the 50 per cent of farmers still in debt are a great many who will win out, who would win out if they were in some business other than farming. Others will not. It is not in them to win.

"The trouble with a large number of those who are in financial difficulties is that they purchased land at grossly inflated prices. Others of them engaged in promotion enterprises; went in debt, you understand. The actual truth of the matter is that these two classes of farmers—those who bought land at wildly exaggerated prices and those who speculated outside of land—had not a dearth of credit but too much credit."

"I say to you, as a banker and a business man, speaking to other bankers and business men, that the greatest need in the world today is a wider acceptance and a greater devotion to the ideals of Christianity."
—Walter W. Head



The Economic Revival of France

By FREDERICK SIMPICH

FRANCE is now war lord of Europe, you hear people say. Once more the ambitious "policy of magnificence," as in the glittering days of Louis XIV and Napoleon, has been invoked. Today the army is bigger and better than ever; French air scouts know every landmark from London to Warsaw. For military reasons Paris is lending millions to Poland, Roumania, the Czechs, but she doesn't even send us our interest.

France is ruining her own commerce and credit and endangering the economic security of half the world. While England and America struggle to repair the ravages of war, to restore trade and patch up a shattered world, the foolish French continue to rattle the saber. Such is the popular picture. Interesting enough; but not all true.

French commerce, for example, is far from ruined. Her economic position is probably stronger than before the war. Her factories, her merchant fleet, are bigger and better than ever. Instead of having to feed an army of unemployed she's scouring the woods for more men to fill the waiting jobs. Her output in nearly every field of production seems limited only by the lack of labor.

In the war-torn area more than 22,000 factories have been rebuilt, all with modern, efficient equipment. Here the coal mines, chemical works, textile mills and engineering plants, their capacity increased and their methods brought up to date by a carefully worked-out plan of reconstruction, are gradually enlarging their output. It is said that since the armistice many French manufacturers have abandoned their old methods and adopted new policies and entered new fields of activity which will to a certain extent relieve France from importing certain things which she bought abroad before the war.

Similarly, during that period when these northern industrial regions were held by the enemy, France, compelled by wartime necessity, erected modern, highly equipped factories in many parts of the country where previously no manufacturing had been done. To a striking degree then the war has actually been of enormous benefit to French industry: first, by bringing about a new geographic distribution of factories, spreading them over wider territory and thus bringing to industry more labor and better transportation; second, by rooting out obsolete methods and machines which might have cramped production for another generation had not the grim necessity of war banished all conservatism and led to a patriotic demand for the newest and best at any price.

Her Trade Balance Improving

TODAY then we find France rapidly regaining her pre-war commercial position. Her trade balance is improving. It is characteristic of her that the volume and invoiced value of her imports has usually exceeded her exports. But this was true owing to her enormous investments abroad, the dividends and profits from which came to her largely in foreign goods, such as foods and raw materials. Her exports, on the other hand, are mostly of the class called luxuries. Silk, her chief export, is after all a luxury.

Briefly, the economic recovery of France and the adoption of a definite foreign trade policy are plainly seen in her expanding industries, government aid to shipping, the improvement of land transportation, and in her trade treaties and preferential tariff agreements with various foreign countries.

To an astounding degree the great industrialists of France are banded together to reduce the cost of production and to simplify distribution. And their organizations spread far beyond the confines of France, holding control of or shares in great iron, steel, engineering and mining concerns as far away as Austria, Czecho-Slovakia and Poland.

Today France is the Iron Queen of Europe. The powerful "Comite des Forges," led by the great French financier Schneider—who is to the French iron trade what Stinnes is to the Germans—has built up in the heart of Central Europe a great French metallurgical group. Thus, in addition to taking over the great iron and steel works built up by the Germans in Alsace-Lorraine and the Luxembourg, we find that French capital now owns most of the important iron and steel industry in what was once Bohemia.

As early as April, 1919, French capitalists were out after that new golden fleece, the iron and steel works of Central Europe. Today they hold a big interest in the Oesterreische Berg and Huttenwerke, with its collieries, furnaces and steelworks in the Teschen district of Upper Silesia; they hold shares in the celebrated Skoda works of Pilsen; they control the Rouston-Bromowski engineering works.

Right here we begin to see one of the chief reasons for the French occupation of the Ruhr. They made this move not only to enforce payment of reparations; they took the Ruhr to help the French iron and steel men whip Germany in their fight for export markets. The Comite des Forges wanted coke and coal, of course, but also, having acquired so large a share of Europe's ore and her iron and steel works, they were threatened with overproduction unless German competition could be smashed.

The amazing ramifications of French capital are graphically shown by Francis Delaisi, writ-

ing in the *Manchester Guardian* supplement of July 12, 1923. He says:

. . . In February, 1920, Schneider had joined the boards of the Union Parisienne and the Credit Lyonnais. He also entered into negotiations with the Empain group (Ateliers de Construction Electriques du Nord et de l'Est, Compaignie Generale de Railways et Electricitie, etc.), a large buyer of machinery and constructor of railways and tramways in every country in the world. In April, 1920, the two groups, with the support of the Union Parisienne, founded a special bank, the Union Europeenne Industrielle et Financiere, with the object of financing fresh acquisitions of shares with the aid of friendly banks.

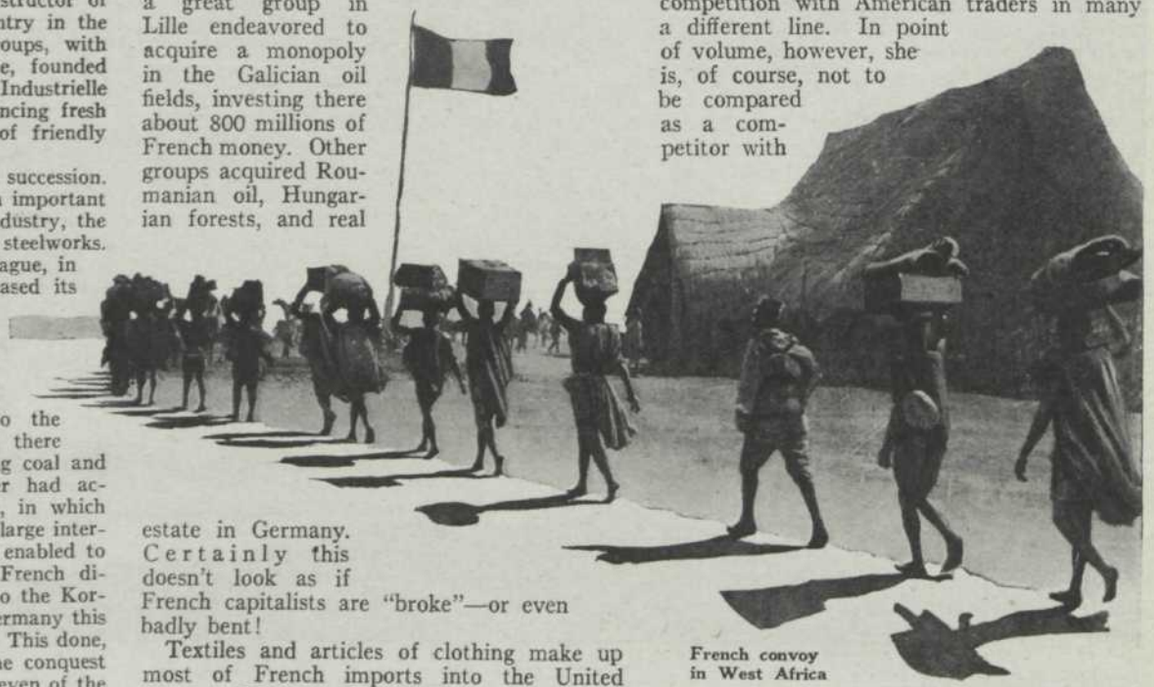
After this acquisitions came in rapid succession. In May, 1920, control was acquired in important Czech companies—the Praage Iron Industry, the Paukrac mines, the Hradecz-Kralove steelworks. In June the Zivnotenska Bank of Prague, in which Creusot has an interest, increased its capital, and was so enabled to acquire control of the Styrian company "Veitsche Magnesitwerke."

Later (1921) came the turn of the mines and ironworks of Mahrisch-Ostrau, which formerly belonged to the Archduke Frederick. . . . Meanwhile there was no neglect of the rich neighboring coal and iron regions. In 1919 M. Schneider had acquired control of the Huta-Bankowa, in which his friends the Credit Lyonnais held a large interest before the war; thus Creusot was enabled to penetrate into Polish Silesia. Then French diplomacy gave every possible support to the Korfanty movement, for wresting from Germany this industrial keystone to Central Europe. This done, it was perfectly safe to proceed to the conquest of the markets of Central Europe and even of the Near East.

French Capital Abroad

THE Union Europeenne acquired a large share in the Hungarian General Credit Bank and exerted itself to obtain orders for Hungarian railways, canalization works on the Danube and the Theiss and the construction of the port of Budapest. (The firm of Schneider has just signed the contract for this enterprise, and a loan of 100,000,000 francs is being floated in Paris to finance it.) In Jugoslavia this Union Europeenne is interested in the Caisse Generale d'Epargne Croate. In Roumania it has founded the French-Roumanian Railway Material Company. Creusot has also important interests in the Cie des Chemins de fer Orientaux, in the Cie Francaise du Levant, and in the Banque Francaise des Pays d'Orient. In a word, the French iron and steel industry took up on its own account the Drang Nach Osten—the "Push to the East"—which it was imagined that Germany had abandoned. Needless to say, Allied Poland was not forgotten. She was provided with arms against both the Germans and the Soviets. In July, 1919, Creusot had founded with the cooperation of the English firm of Vickers the Societe Polonaise de Materiel de Guerre. But this did not prevent it from being interested at the same time in the fate of Russia. In January, 1920, there was founded the Societe Commerciale, Industrielle et Financiere pour la Russie. . . . It would be too long a task to enumerate all the companies in which the Schneider group is interested. Their number has been found to reach 182! It is doubtful whether M. Hugo Stinnes himself controls more.

During this same period, thanks to depreciated currencies, French capital gobbled up textile plants in Poland and Czecho-Slovakia; a great group in Lille endeavored to acquire a monopoly in the Galician oil fields, investing there about 800 millions of French money. Other groups acquired Roumanian oil, Hungarian forests, and real estate in Germany. Certainly this doesn't look as if French capitalists are "broke"—or even badly bent!



French convoy in West Africa

Textiles and articles of clothing make up most of French imports into the United States. These include silks, cotton piece goods, woolen piece goods, linen drapery and dress goods. There is a tendency, however, to buy less silk from France as our own silk business develops. In leather goods, too, we buy much from France, as we also buy millions of francs' worth of books, engravings and novelties.

England and Belgium are France's best customers. Much of the goods sent to Belgium is reexported; so, also, is a portion of Britain's purchases. We are told that the chief changes in the movements of external trade are shown in the growth of commerce with North America and the French colonies, as well as the practical suspension of any considerable and direct trade with Russia and the decline of trade with some of the Balkan States owing to exchange collapse. Germany, France's third best customer before the war, is still a considerable buyer of French goods.

In 1922 France bought 16 per cent of all her imports from us, and from her we took 9.6 per cent of her exports. It is said that France's diminished purchases from America have been due chiefly to her reduced purchase of cereals, though there was also a decided drop in her imports of American metal and engineering supplies. In iron and steel, in sugar and motor cars, however, there was a big increase in our shipments to France.

While our tariff hit many French imports pretty hard, its effect was somewhat counter-balanced by the depreciation of the franc. Our prohibition law, of course, is still a source of hopeless grief to the champagne exporters. Ridiculous as it sounds, a few French wine-growing groups still blame their embassy at Washington because it has not had the American prohibition law repealed!

France exports a curiously variegated assortment of goods and wares and comes into competition with American traders in many a different line. In point of volume, however, she is, of course, not to be compared as a competitor with Britain or with what Germany might well be with normal domestic conditions.

Her chief export is silk fabrics. In 1922 she sold abroad goods of this class worth 1,377,847,000 francs. Lingerie and clothing exports reached almost the same high figure. Of cotton fabrics she sold slightly over a billion francs' worth. Iron and steel worth about 890,000,000 francs were exported and woolen fabrics of about 850,000,000 were sold abroad. After these items came wool and wool-waste, chemical products, automobiles, rubber and gutta percha goods, moving picture films, tools, natural and artificial leather, prepared furs, wines, perfumes and soaps, paper, pottery, glassware and porcelain, novelties, toys, medicines, rags, cheap jewelry, etc.

Fall of Franc Cuts Buying

THE market in France for American products, says our Department of Commerce, is now more difficult than before the war because of the fall in the external purchasing power of the franc.

Under the American tariff France is treated like any other country. But the French tariff discriminates against goods imported from America. It embodies general and minimum rates. General rates, which are the highest, apply to practically all goods imported from the United States—except about 90 items. The Americans and the Germans—standing alone among important trading nations—are the only ones against whom France levies these discriminating duties. Canadian salmon exporters, for example, can undersell Yankee fish packers in the French market because of the trade treaty signed between Canada and France last year.

This treaty is a striking example of French preferential tariff policy. Under it Canada receives the benefit of minimum rates on 120 important items among her exports to France,



and intermediary rates on 120 articles. In return France receives the general treatment of the most favored nation, and special advantages on 125 articles. Tariff reductions are allowed by the Canadian Government on the following articles: wines, canned meats and fish, fruit trees and plants, canned fruits and vegetables, perfumery, books and printed stuff, olive oil and essential oils, table articles, automobiles and locomotives, laces and embroideries, underwear, silks, furs, rubber articles, gloves, feathers, cinematograph films, etc.

The chief American products sold in France are indicated in the following table for the years 1913 and 1922. Values must be considered with the depreciation of the franc in mind. The table shows a number of interesting shifts as compared to pre-war conditions of 1913.

PRINCIPAL IMPORTS INTO FRANCE FROM THE UNITED STATES

	Millions of francs 1913	1922
Cotton and cotton waste	432	1,228
Crude mineral oils, refined and essences	65	573
Copper	120	236
Cereals and flour (including malt)	33	210
Tobacco in leaf and manufactured	25	184
Sugar		173
Heavy oils and petroleum residues	12	173
Iron and steel	.5	145
Machinery	57	133
Animal greases	12	78
Prepared skins	4	53
Table fruits	4	49
Carriage bodies (automobile and other)*	5	44
Tools and other articles in metal	5	37
Common woods	24	35
Skins and raw hides	7	30
Meats, salted meats, etc	1.5	24

Muddled as her finances are, and wobbly as her budget is because problematic payments from Germany are listed as "revenue," there is abundant evidence that France will come through, and eventually strengthen and normalize her financial position. Writing from Paris, the British Commercial Counsellor lately said: "The state of French public finances requires urgent and thorough treatment" . . . But "there are grounds for anticipating that, as the outcome of a speedy and drastic reorganization of these finances, their weakness will be no longer apt to prejudice unduly the world's judgment of the fundamental strength of her economic complex."

A conspicuous phase of French foreign trade policy has been the establishment of strong banks to aid colonial development and commerce.

Banks in the Orient

A STRIKING example is the great Banque de l'Indo-Chine. Though chartered originally only to do business in Indo-China, its transactions and influence have spread throughout the East, adding enormously to French prestige. With head offices in Paris, its ramifications lead throughout the Orient, and aid Frenchmen to trade in the Dutch and British colonies there.

To aid in the development of Indo-China the bank issues a paper money, and its transactions, amounting to billions of francs a year, spread as far away as Somaliland, Siam, China and the Straits Settlements.

France knows that banks have a political as well as an economic power. In the great international rivalry to develop certain resources of China, the French Government has played an active rôle. Back in 1906 a consortium of banks was organized to loan China money for railway purposes. This group eventually included the Banque de l'Chine, the Hong Kong and Shanghai Bank, the Deutsche-Asiatische Banke, the International Banking Corporation, the Yokohama Specie and Russo-Chinese Banks.

The French, however, induced the Chinese Government to join them and take one-third of the stock in an institution called the Banque Industrielle de Chine. It exerted a wide influence on French trade. Chinese firms, government officials and private persons also flocked to it with their deposits. French prestige was much enhanced. But by bad management the bank crashed. In July, 1921, its various branches were closed.

It is not alone in China that France is seeking to strengthen her position. Paris has loaned money to every country in the world. She is still lending it. Even now the Mexicans are there, seeking to raise capital for their new Banco Unico. In a speech before the Pennsylvania Bankers' Association Maurice Cassenave, the French financial expert, pointed out that before the war France was close to being the greatest lender to foreign nations. To the Imperial Russian Government France loaned $2,500,000,000—and in Russian railway, mining and industrial shares and bonds she had sunk up to $1,500,000,000 when the Czar fell. How much if any of this four billion dollars she will ever get back is problematic.

Billion French Dollars in Balkans

IN the same way, she has put a billion dollars in Roumania, Serbia, Bulgaria, Greece and Turkey. Some of these nations increased their debt to France during the war and today are very poor. As an immediate asset these debts amount to little. The total sum advanced by France is said to exceed fourteen billion francs. *Le Temps* estimates that France has loaned to allied nations or nations created after the war a total of 15,282,000,000 francs. Except for the old Russian debt most money has been loaned to the following governments: Belgium, 3,684,000,000; Jugoslavia, 1,795,000,000; Roumania, 1,181,000,000; Poland, 1,456,000,000.

In gauging France as a competitor, let us look at her capital. How rich is she? Curiously enough, in spite of what the war cost her, she's potentially as rich now as in 1914, the economists say.

Nothing more interesting on this point has been worked out than the figures published by Harvey E. Fisk, of the Bankers' Trust Company. He estimates the pre-war value of French property of all kinds at about $57,000,000,000 or $1,500 a head. This compares with an American average wealth of about $2,000 per head, at the time we entered the war. When Great Britain entered the war, her wealth (not counting the Dominions) was about the same per head as that of France.

Concerning the wealth of France Mr. Fisk says: "We believe that, notwithstanding the losses of war, the wealth of France today, estimated on a specie basis, closely approximates or perhaps equals her pre-war wealth. This is partly due to the repatriation of Alsace and Lorraine, but it is also due to the fact that the war apparently served to intensify the normal saving habit of the people and thus enabled them to meet the burden which it brought without seriously impairing the pre-war national fortune."

Debt Not Overwhelming

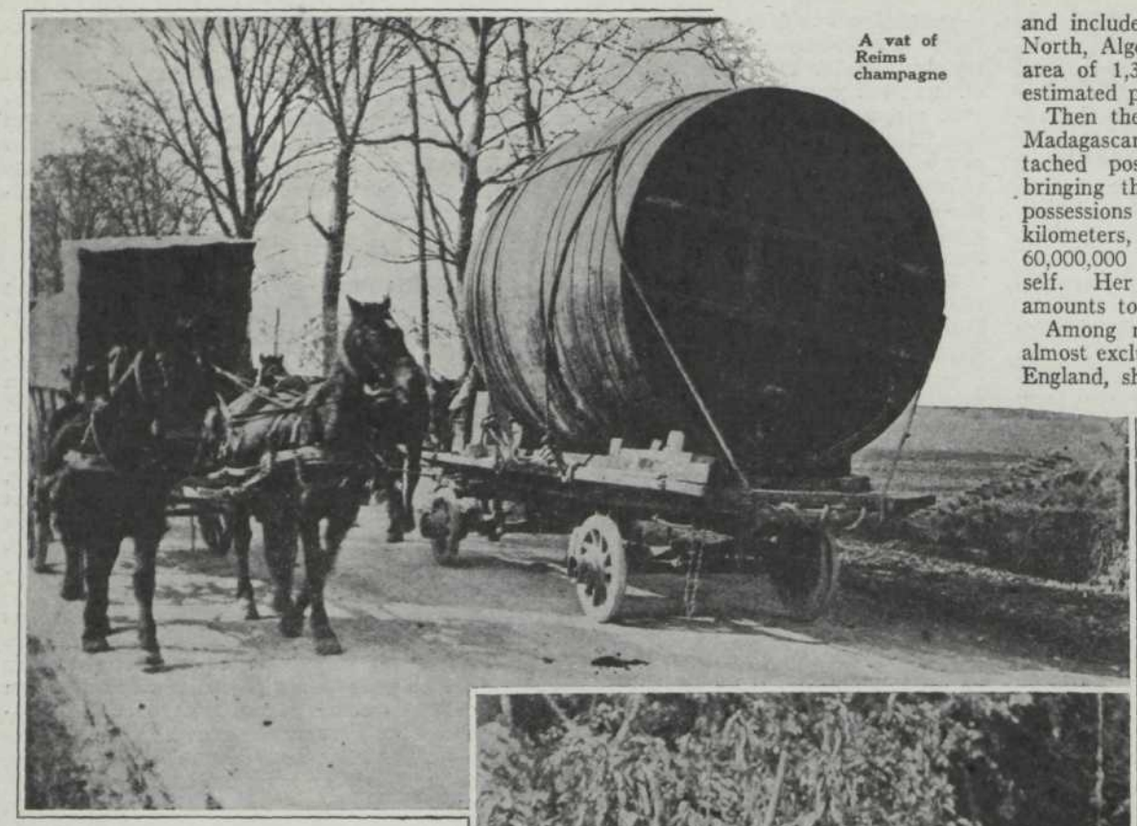
IN plain words, a Frenchman today is as rich as a Britisher, and either one of them is three-fourths as rich as an American.

On paper France's public debt looks staggering. It figures out nearly fifty-two billion dollars as against fifty-seven billions of wealth, if you translate her franc debt into dollars with the franc at par. But her gold franc debt, owed chiefly to Britain and to us, *is only about seven billion dollars.* If you take her internal debt which is owed in paper francs and convert it into dollars at today's rate, well, to say the least, it's not so staggering!

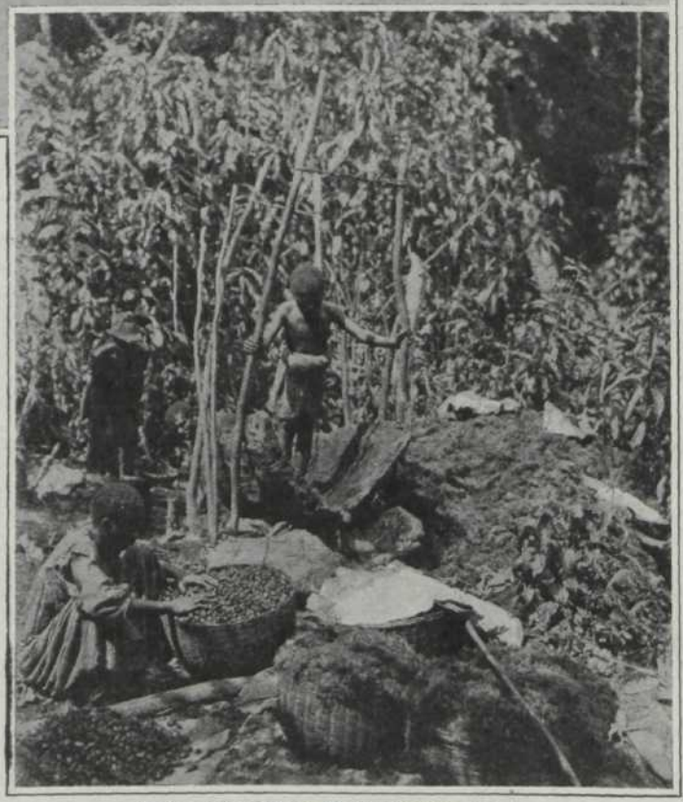
Such, briefly, is the picture of business France today. Divided as American opinion may be on the wisdom of certain present-day French policies, our impartial conclusions can only be that she is rapidly recovering her industrial and economic strength. Her total exports for 1922 were 869 millions more than during the year before. Appeals for public subscription to government loans were 12 to 13 billions less in 1922 than in 1921; so abundant liquid capital was left for private investment.

Twenty important French trading and industrial firms — including manufacturers of furs, automobiles, chemicals, farm machinery, textiles, etc., are banded together for trading with Russia. French success in bidding on big engineering jobs abroad is not yet





A vat of Reims champagne



Natives fabricating palm oil, Cameroon, W. A.

so conspicuous as before the war; but gradually she is reaching out, in proportion as home opportunities are taken care of.

To aid foreign trade Paris is putting forth every effort to increase the efficiency of the French foreign service—already including a well-organized system of consuls, commercial attachés and trade agents. The present highly-trained, English-speaking commercial staff at the French Embassy in Washington is an example; and right busy it is, seeking to find markets here for such wares as can struggle over our tariff wall. If the franc continues to slump and reduces the cost of production in France as happened in Germany, an increase of French imports into the States will probably follow; but in the end France would pay the fiddler on the rising cost of her own imported raw materials.

For these good signs of economic revival, then, every thoughtful American is grateful. In sheer sentiment, we rejoice that prosperity is returning to our gallant ally. For more material reasons — and whether we approve of her military ambitions or not—we are happy that business is better in France. The better it gets, the more she can buy from us; and the quicker it will be reflected in those other countries of Europe where we also have business fish to fry. And, the better business gets in France, peradventure the sooner we can collect a bit on account!

The French show a decided genius for aiding and improving colonial commerce. What with loans, preferential tariffs, aids to shipping and a policy of placation in dealing with black, brown and yellow people, the colonies provide 10 per cent of France's imports and take about 13 per cent of all her exports. Since 1903 imports have remained at about 10 per cent, but exports are increasing steadily as the colonies develop.

The Minister of Colonies "is particularly charged with the comprehensive and profitable economic development of the French overseas possessions." Next to Great Britain, France enjoys a larger colonial trade than does any other power. Her vast colonial domain is undoubtedly one of her chief bulwarks of foreign trade prosperity.

Clause 22 of the Treaty of Versailles provides that "native populations must be protected, and that the resources of these new countries must not remain undeveloped." The first of these duties France has always performed; and after forty years occupied in laboriously building up her colonial empire, she is now prepared to devote all her energies to making it pay. Her colonial possessions are scattered all over the world, but two great groups stand out, the African and the Asiatic. The former extends from Algiers to Brazzaville, and from Dakar to Abecher, and includes the three great colonies of the North, Algeria, Tunis and Morocco, with an area of 1,305,388 square kilometers, and an estimated population of 12,000,000.

Then there are the mandated Cameroons, Madagascar, Indo-China, and a score of detached possessions, insular and otherwise, bringing the total area of French colonial possessions up to more than 10,000,000 square kilometers, with a population of nearly 60,000,000 or more than that of France herself. Her total trade with these colonies amounts to billions of francs a year.

Among raw materials which France buys almost exclusively abroad is raw cotton. Like England, she is bending every effort now to the development of cotton-growing in her own colonies. Foreign silk, too, she imports in enormous quantities, and an outstanding feature of her policy is an effort to promote its production in Indo-China, though she can of course never produce enough to meet all her needs.

From her colonies in the past few years her imports of coffee and cacao have increased enormously. Saigon sells rice all over the East, especially in famine times.

Since the war French shipping has risen from fifth to third place among the merchant marines of the world. Owning nearly 4,000,000 tons, she ranks after Britain and the United States. Like the other maritime powers, however, the hard times hit her, and much of her fleet is tied up.

Subsidies are characteristic of French policy. More than 65,000,000 francs a year is paid by the Government to certain companies which carry mail to foreign countries or to the French colonies. To the Messageries Maritimes alone—for its mail service to the Far East and elsewhere—40,000,000 francs a year is paid. The Cia, Sud-Atlantique, for its Brazil and River Plata lines, gets 16,000,000 francs a year.

It is so with the airplane mail and passenger routes, in which business nine companies are engaged. The Government, especially anxious to encourage air service with the great African colonies, is granting subsidies to various of these lines. In a recent report it was stated that 80 per cent of the receipts of one of the most important companies was made up of state bounties!

But an outstanding problem of France which affects all her efforts to promote trade is the state of her public finances. As a late British report from Paris says: "The unsatisfactory condition of the public finances has constituted during the last three years the outstanding and persistent preoccupation of public opinion in France."

Since the advent of the Briand Cabinet in January, 1921, France has followed an avowed policy of deflation. This has not, however, restored the franc. As against a paper franc circulation of only 5,743,000,000 in 1914, the note circulation in 1920 hit nearly 40,000,000,000 and today it is probably as much as 36,900,000,000.

Remaking the Tariff to Fit

By HARRY A. WHEELER
Vice-President, Union Trust Company of Chicago

WHAT (and when) will the United States Tariff Commission recommend to President Coolidge in the way of definite increases, or decreases from the rates of the Tariff Act of 1922?

What will President Coolidge do with the recommendations when he gets them?

What will the American business men do when the elastic in the flexible tariff clauses actually comes into operation?

When we have the correct answers to these questions, then we shall know whether scientific adjustment of tariff rates in its present form, within fixed limits set by Congress, on the basis of an impartial investigation into the facts, has a chance in this country or not. And the pivotal point here and now is the action of the U. S. Tariff Commission.

In 1921 a committee of American business men appointed by the Chamber of Commerce of the United States worked out a number of tariff principles, among them this:

> That tariff legislation should be so framed by Congress as to permit subsequent adjustment of individual rates or particular schedules of rates within prescribed limitations, and to authorize changes therein from time to time without general revision of the tariff; that reasonable latitude in the application of tariff rates to any commodity, or group of commodities, be provided for, in order that there may be flexibility in the adjustment of said rates to the varying fluctuations of industrial and trade conditions.

In a referendum vote of the Chamber on this proposition more than five times as many votes were cast in favor of it as in opposition to it. The committee recommended the creation of a separate Tariff Adjustment Board to administer the adjustable rates. The membership of the Chamber committed itself in favor of that proposition likewise. Congress gave us the flexible rates, but threw the adjustment on the Tariff Commission.

President Harding was thoroughly and frankly for flexible tariff rates. On December 6, 1921, he went before a joint meeting of the two Houses of Congress and urged provision for adjustment of tariff rates, saying:

> If our tariffs are to be made equitable, and not necessarily burden our imports and hinder our trade abroad, frequent adjustment will be necessary for years to come. Knowing the impossibility of modification by act of Congress for any one or a score of lines, without involving a long array of schedules, I think we shall go a long way toward stabilization if there is recognition of the Tariff Commission's fitness to recommend urgent changes by proclamation.

Note that word "stabilization!"

President Harding for Flexing

PRESIDENT HARDING followed the progress of tariff legislation in 1922 and especially urged the enactment of the flexible tariff clauses.

On September 21, 1922, when President Harding signed the Tariff Act, he remarked especially on the inclusion in the act of provisions for elasticity in rates and expressed the belief that this would prove a remarkable contribution to progress in tariff making. Two weeks later the President signed an executive order by which petitions for action or relief under the flexible tariff provisions should be filed with the commission; and in December, 1922, President Harding again took this subject up in his message to Congress and gave some indication of the spirit of administration of flexible tariff which he had in mind, declaring:

> The enactment has imposed a large responsibility upon the Executive, but that responsibility will be discharged with a broad mindfulness of the whole business situation. The provision itself admits either the possible fallibility of rates or their unsuitableness to changing conditions. I believe the grant of authority may be promptly and discreetly exercised, mindful of the intent and purpose to safeguard American industrial activity, and at the same time prevent the exploitation of the American consumer and keep open the paths of such liberal exchanges as do not endanger our own productivity.

Applications for actual use of the flexible tariff clauses were not slow in coming into the United States Tariff Commission. Taking account of stock now, just a year since the passage of the Tariff Act of 1922 and the executive order starting the flexible provisions in motion, we find that the United States Tariff Commission has ordered investigation of no fewer than thirty-one different commodities.

These investigations range from comparatively insignificant things such as wall pockets (a sort of contrivance to hold the whisk broom, the brush and comb alongside the calendar and other things that get tacked up on the wall) to briar pipes, cotton gloves and cotton hosiery, mirror plates and plateglass, sugar, a whole string of more or less important chemical products, taximeters, logs, linseed oil, etc.

Investigations Have Been Thorough

WHERE the U. S. Tariff Commission, going the peaceful tenor of its way in pre-flexibility days, was jogging along with an appropriation of some $325,000 per annum, that body is now spending $700,000, and apparently would find little difficulty in spending more, in keeping pace with conditions on some of the items that go to make up a customs tariff.

Investigations have been going on simultaneously in many industries in many parts of the United States. A dozen men investigating cost of production of sugar in Cuba—quite distinct from the investigators in Porto Rico, in Louisiana, in New York State, and all through the beet sugar territory of the United States; the commission's chief chemical expert and some of his assistants on the trail of costs of production of chemicals in Germany and other European countries; special investigators in Europe on the costs of production of cotton hosiery; a resident office of our Tariff Commission in Berlin, in charge of a former European agent of our customs service; another resident man traveling out of Luxemburg; and another making his headquarters in Paris—all that is a part of the picture of the work of the Tariff Commission in less than a year.

Practically all of these investigations were undertaken upon specific petition of the interested parties in the United States, although some of the investigations were broadened out on the initiative of the commission. Take the cotton hosiery investigation, for example, starting with a petition on infants' hosiery, and broadened to cover the whole cotton hosiery industry.

There have been petitions both for increases and for decreases; petitions for increasing rates by changing to a basis of American valuation, as provided for in the Act, in certain special cases; in the case of some of the chemical commodities there have been petitions for increases and counter petitions for decreases on the same commodities. Decreases have been asked for in the case of such commodities as casein, mirror plates, paint-brush handles, linseed soil, magnesite and magnesite brick, fir, spruce, cedar and hemlock logs, and so on.

New Foreign Conditions to Meet

MOST of the applications for reductions in duty that have led to investigations came from American manufacturers who want lower rates of duty on their materials. Most applications for increases in duties, on the other hand—the cotton glove case and cotton hosiery case are excellent examples—came from American manufacturers who contended that conditions in Germany, or in certain other foreign countries, have become such as to give them inadequate protection under our present tariff rates, and to justify increasing those rates by an addition of an amount equal to 50 per cent of the rates set in the 1922 tariff. It will be remembered that the tariff sets the limit of adjustment of rates either upward or downward within 50 per cent one way or the other from the 1922 rates as a starting point.

Whoever starts an investigation, there is ample opportunity for all sides to state their cases. In the casein case the paper manufacturers petitioned that duties should be reduced 50 per cent, and the casein producers in the hearings held that duties should be increased 50 per cent. Trot out the proof!

"Costs of production"—that is the axis on which the tariff rates may revolve. If cost of production in the United States is comparatively low, in the light of known costs in the principal foreign competing country, as shown by direct investigation, then there is a possibility of cutting down the 1922 rates by 10 per cent, 25 per cent, 40 per cent, etc.—but never by more than 50 per cent.

If, on the other hand, American production costs are high, in comparison with costs in foreign countries, and it is found that the 1922 rates do not give adequate protection, those rates may be increased by 10 per cent, 25 per cent, 40 per cent, etc.—but never by more than 50 per cent.

If it is found, however, that even such an increase is not adequate to protect the American producer against the low-cost producer abroad, the Act makes possible the levy of an ad valorem duty based upon American valuation, or the American selling-price.

In some quarters in the United States a loud and prolonged protest is going up against the flexible tariff, and in some cases there is coupled with it a protest against the United States Tariff Commission for doing what it is required by law to do. Some business men, whose expressed desire is to have tariff rates that will equalize American costs and foreign costs, contend that jockeying with the rates under any flexible tariff clause will ruin American industries. Others contend that the mere

process of investigation is unsettling to business, and that the likelihood that rates may be changed suddenly is a bad thing for business.

Some of the rest of us want to do a little arguing on the other side. It is hard to see, under the safeguards which the Act of 1922 contains, and with full regard to the tender care for equalizing costs of production here and abroad, which is exercised by the Act itself, how this ruin of American industries by the operation of Section 315 can possibly take place.

Some of our great industries have invited the investigation and have tolerated the investigators without disaster. It was the feeling of the Chamber's committee in 1921 that undergoing a general tariff revision was about as unsettling for business as anything that could take place. The committee had in mind the unsetlement that occurred when changing conditions made a tariff rate no longer effective, and an American industry needed relief, either in the shape of increased rates on its finished product or in the shape of decreased rates on its materials. Where home conditions of production and changing conditions abroad clearly justified a change, such a change was practically impossible to obtain under the old system, except when Congress had resorted to the sackcloth and ashes of a general tariff revision.

Nothing would be more conducive to stability in certain emergency cases than the prospect of reasonably quick relief from a hardship imposed upon business by changed conditions. It was our belief then, and it is my belief now, that flexibility in tariff rates, when properly safeguarded, is a real assurance of stability rather than of instability. Of course, if rates could be changed over night without investigation and without notice, and if the rate-adjusting body were entirely devoid of sense and consideration for the public interest, then we might get a degree of elasticity that would bump us all out of business. But that just isn't in the picture.

However, we have, in this single year of operation of the Act of 1922, gone a considerable distance in the direction of elasticity and flexibility. We have made all these investigations, and "now that we have got them, what are we going to do with them?" Is the U. S. Tariff Commission going to investigate where investigation is most needed?

The commission has spent some time on big, vital investigations, and some time on investigations of little general interest. When it has made its investigation, is it going to recommend squarely and directly, and with the courage of its convictions and the assurance that its information is right and that adjustments substantial in character should be made?

Or is the commission going to putter around with the petty matters which don't affect any very large part of the community and may thereby be regarded as harmless? Is it going to back and fill on the big questions? It takes courage to start this thing.

Some of us are going to have our corns stepped on. But if, as President Harding believed and as many of the rest of us believe, by starting this machinery in operation we are making a great advance toward the solution of "the tariff problem," then let's grease the wheels.

It is a matter of current comment in the press that there has been some divergence of views among the members of the Tariff Commission on the administration of the flexible tariff rates. The contention seems to have been on one side that the commission had no authority or power to act except upon specific petition by interested parties; and on the other side, that it is the duty of the commission to inform itself concerning the commodities in import trade and to investigate on its own initiative, and to make recommendations for increase or decrease of rates when the investigations show that to be advisable.

As an interested reader of the Act, I don't see anything in the tariff itself to indicate the intention of Congress that the commission should wait for specific petitions. President Harding made public announcement in the spring of this year that the commission could institute formal investigation under the flexible tariff provision even in the absence of petition, when the President had approved the action proposed.

If the American public is to get the full benefit of the flexible tariff, it seems to me that it is up to the commission to keep an eye open for changing circumstances, and changing conditions that are affecting American industry, and to take steps to investigate those cases, on its own initiative. Sooner or later, when American industry or the American consumer feels the pinch, the petitions from interested parties will come along, and the sooner the Tariff Commission starts the more prompt may be the relief when relief is really needed.

In general it appears that President Coolidge has much the same outlook on the flexible tariff as President Harding had. There is no question in the minds of most people as to the courage of Mr. Coolidge in carrying out his policies—his Massachusetts record is convincing enough. One thing certain, however, is that President Coolidge has got to be shown. If he is shown, and if the showing is convincing, that there is a real ground for applying our flexible tariff rates, then there is little doubt as to what the presidential action would be.

The Tariff Commission has converted one of the top floors of the old Land Office Building in Washington into a beautiful hearing room, suitable for a court of high authority. The hearings have been going on now for months, with some of the leading lawyers of the country presenting the cases.

The commission to date has had its hearings only after some investigation by the staff of the commission, and the commission has thrown into the hearings for the reaction of the interested parties a summary of the facts which it has established. The interested parties have had a full opportunity to tell their stories and to show the strength of their contentions by opening up their accounts for the inspection of the investigators of the commission.

The commission has encountered some of the usual difficulties in getting at costs in foreign countries, but this has not been proving an insurmountable difficulty. In one case—the paint-brush handle case—the chief foreign factory was owned by the American brush company that asked for a reduction in duties, and there was no difficulty at all in getting at most detailed costs of production in that factory! The Act itself makes provision for methods of arriving at costs, without requiring the most minute analysis of the foreign producer's cost system and cost records.

Prices of materials, wages, and other advantages, or disadvantages in production are not so hard to get at. For months we have had this actual investigation under way. Now we are anxiously awaiting the outcome. For my part, I believe flexible tariff rates offer a big advantage for American business, and I hope that the United States Tariff Commission will prove that it is capable of handling this job given it by Congress. We in the Chamber of Commerce of the United States believe that the Tariff Commission had a useful function outside this adjustment function, but since no separate Tariff Adjustment Board was formed, and this job was given to the U. S. Tariff Commission, we look to it to show the country what it is good for. The business men of the country went on record two years ago in favor of a system of flexible rates. Let us have a real tryout and see if they'll work!

Our Interdependent Industries

A Pictorial Survey of American Industries, With Special Reference To Their Interrelations

By CHARLES FITZHUGH TALMAN

II. WOOD

SOME EARLY ancestor of yours bestrode a floating log and sailed downstream, and transportation and the wooden ship were born. Some successor of that adventurous one gouged out a fallen log, and the canoe with all its successors came into being. His first step upwards from a cave was to a shelter made of wood.

And we still use wood. We talk of the age of iron and the age of steel, but look about you. Your wooden chair stands firmly on a wooden floor beside a wooden table, and you read a wooden newspaper—wooden, that is materially, not editorially.

We may sail the seven seas in steel ships and travel in steel cars, but still we use wood and more wood.

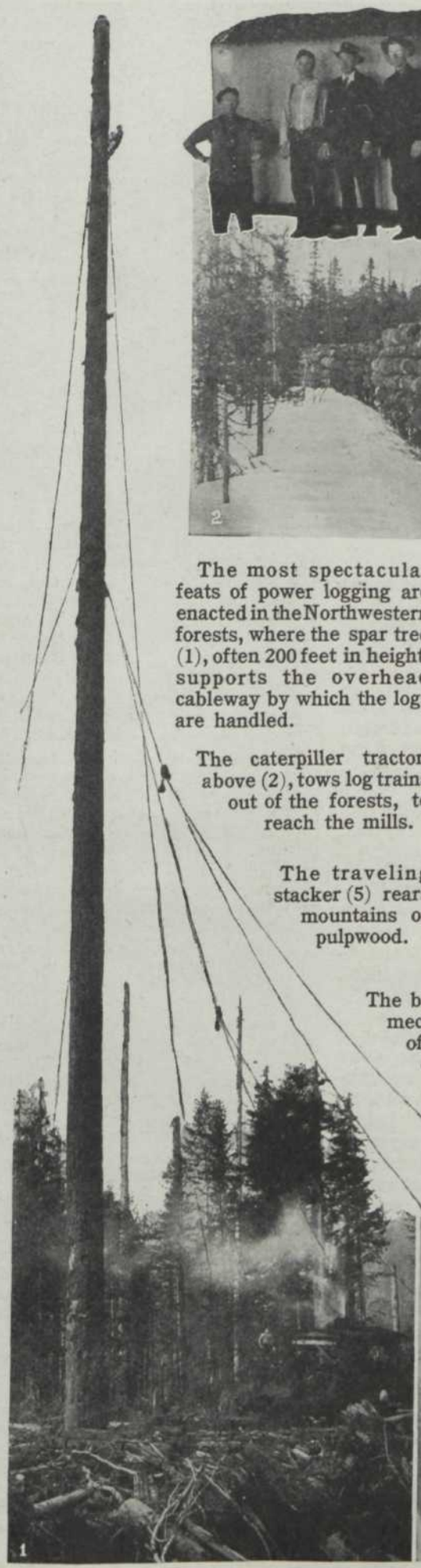
The United States uses two-fifths of all the wood consumed in the world. Of sawed lumber we take half the world's supply, and of paper (mostly made from wood) more than half. More than 90 per cent of our buildings are of wood. Our consumption of wood in all forms is estimated at 22½ billion cubic feet per annum. It goes into every industry, and legislation that affects our forests affects all business.

Forests fall, and the industry moves on and grows from year to year. The two census groups of industries, lumber and paper, employ 1,350,000 wage earners and have a capital investment of more than $5,000,000,000.

All over the United States men seek wood for particular uses. Six years ago we wanted black walnut for gunstocks. In war days, too, we wanted spruce for air-planes. Peace came and there was a cry that we were short of hickory for axe handles. And you can go on indefinitely. If you can't use one sort of wood for furniture, you can for shoe lasts or wagon tongues. Our automobiles, modern machines of steel and aluminum, use nearly 500,000,000 board-feet of lumber every year.

Ways in which the wood industries serve other industries and are served by them are illustrated in the pictures on the pages immediately following.

WOOD







The most spectacular feats of power logging are enacted in the Northwestern forests, where the spar tree (1), often 200 feet in height, supports the overhead cableway by which the logs are handled.

The caterpiller tractor, above (2), tows log trains out of the forests, to reach the mills.

Hand labor, applied with axe and crescent saw, still fells the tree, but at all subsequent stages of logging and lumbering, mechanical power more and more replaces muscle.

The steam skidder (3) now substitutes for mules.

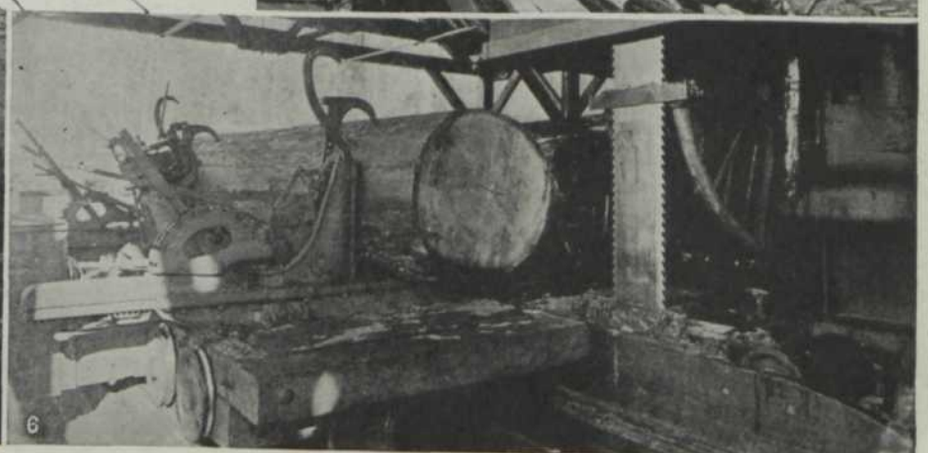
At the mill the monorail (4) transports lumber in unit "packages."

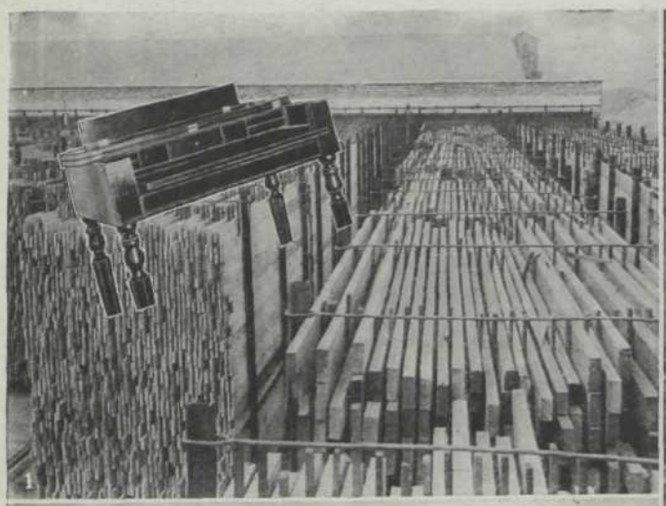


The traveling stacker (5) rears mountains of pulpwood.



The band-saw (6), the mechanical monarch of the mill, which cuts into logs, up and down at two miles a minute.













We scrape the sides of pines to get the makings of "naval stores" (5)—turpentine and rosin—in the production of which we still lead the world.

In quantity, cordwood (2) is the leading product of the forest, amounting to 40 per cent of the annual cut.

Few city dwellers realize the extent to which wood is still used as fuel.

Charcoal-making is an ancient industry, but not in the form here illustrated (3),—a load of black oak charcoal being pulled from a modern retort. This process, applied to hardwood, yields charcoal, wood alcohol, acetate of lime, tar and gas.

Sawed lumber, in the making of which our 30,000 sawmills use some 8 billion cubic feet of standing timber every year, furnishes raw material for a host of varied industries. Consider, for example, that it takes 500 feet of lumber to build an automobile, and multiply this by the 2½ million "autos" turned out annually in this country.

Formerly all lumber was seasoned in the open air. Kiln drying, introduced about 1880, greatly accelerated the seasoning process.

The picture in the upper corner (1) shows "edge-stacked" lumber entering the kiln.

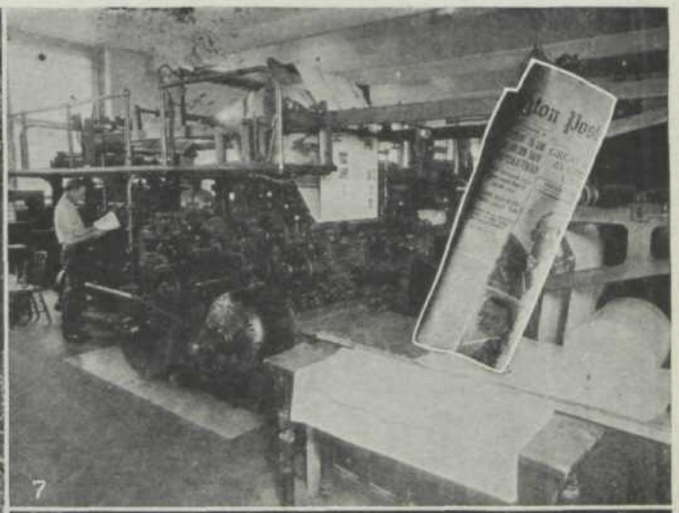
We fashion our forest giants into dainty dolls (4) and innumerable other manufactures.







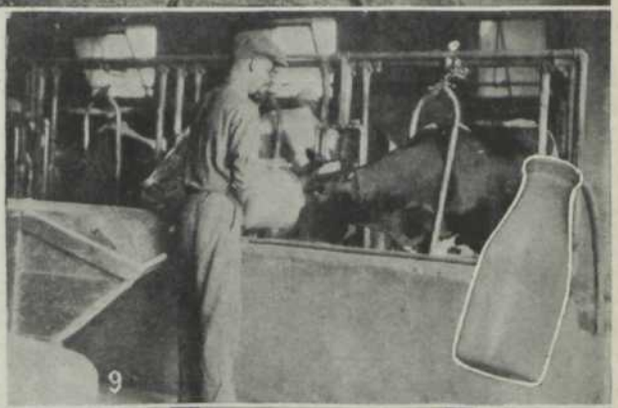
Tanbark (6), is used to convert hides into leather.



The demands of the printing-presses (7), for more paper are insatiable. Forty years ago most printing paper was made from rags. Today more than 90 per cent of it is made from wood pulp, which also yields other paper products.



The miner needs millions of props and cross-bars (8), to save him from premature burial. American coal mines alone consume annually from 250 to 300 million cubic feet of wood.



At the University of Wisconsin they are now feeding cows chemically treated sawdust (9), and wood has even entered into baking powder, made from larch. New uses of wood are cropping up.



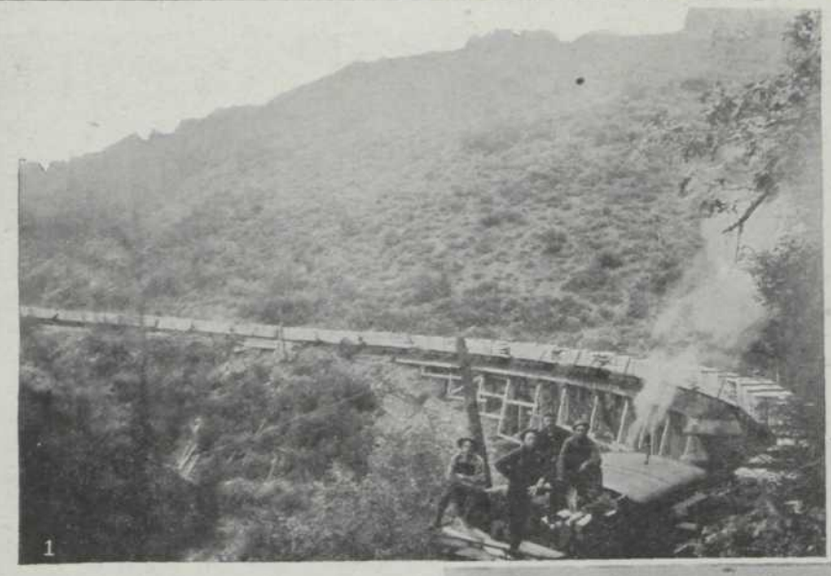
Their wooden wedding (10). John holds a phonograph record; it is 60 per cent wood. Mary's fiber-silk stockings, like her sweater and the drapery, were woven from wood pulp. The same substance provided books, the wrapping paper and twine, the wallboard, the fibre rug on the wooden floor. The furniture is of wood pulp fiber molded around wire.

Pictures: 1, Weyerhaeuser Forest Products; 2, 3, 4, 5, 6, 8 and 9, U. S. Forest Service; 7, Government Printing Office; 10, Woodward and Lothrop.

Off for the Long Haul

Nothing more forcibly illustrates the depletion of forest resources in portions of the country once rich in timber than the nation's annual lumber freight bill of $250,000,000. The far South and the extreme Northwest are the chief centers of production, while the East is, as it has always been, the chief consumer.

An endless procession of lumber moves eastward by rail from the forests of Washington and Oregon. (Photo, 1, at left.)



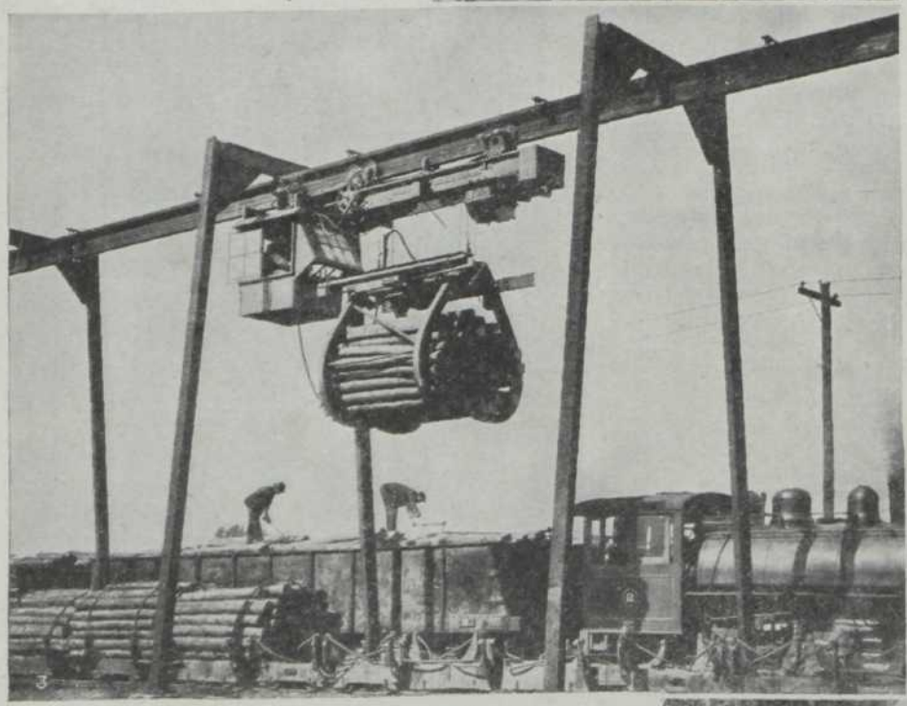


Timbers from the ports of Puget Sound come ashore at Baltimore after a journey of 7,000 miles via the Panama Canal. The water shipments of lumber from Pacific to Atlantic ports amounted to 666,000,000 board feet last year, 1922. (Photo, 2, at right.)

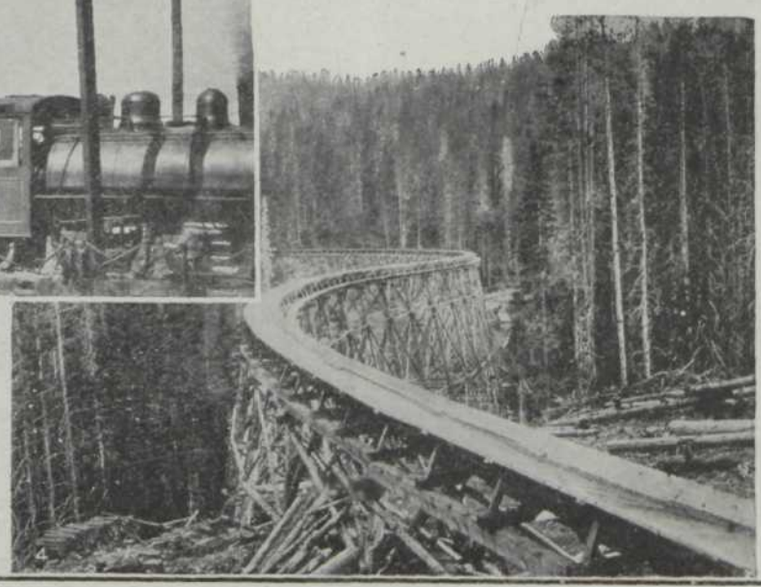
The State of Washington is the leading producer. The three Pacific Coast states contain more than half the remaining saw timber of the country.

Lumber supplies a larger volume of freight to the railroads than any other commodity except coal. Another link between the lumbering and railroad industries is the continuous consumption of wooden ties. The consumption would be far greater but for preservative treatment with creosote or zinc chloride, which more than doubles the life of a tie.

Nearly 150,000,000 treated ties annually leave the creosoting plants for service on the railroads of the country. (Photo, 3, at left.)



Pictures: 1, American Forestry Magazine; 2, Weyerhaeuser Timber Co.; 3, Pawling & Harnischfeger Co.; 4, U. S. Forest Service.



Artificial watercourses, called flumes, are used for transporting both logs and sawed lumber. (Photo, 4, at right.)

The migration of sawmills in the wake of the retreating forests tends to minimize the haul of logs as distinguished from lumber. Paper and pulp mills cannot be shifted so readily, and the long haul is becoming a more and more serious problem.

America May Abolish Poverty

By JULIUS H. BARNES

TO UNDERSTAND America's greatness and her industrial leadership, we must consider that here is a republic with a relatively short national history of a century and a half, entrusted with the natural resources of a continent, and that continent open to the development of the white race barely three short centuries.

There is surely something of great and solemn meaning that one hundred and ten million people, with this short national history, have made the high marks in human progress which we have a right to claim.

The total population of the world is about eighteen hundred millions of people. Now, when you picture these eighteen hundred millions of human beings, inevitably progressing along the road which leads ultimately to living standards something like our own, you get a picture of the vast amount of human activity which will be called into action, with increasing urgency and increasing effectiveness.

Our System Proving Its Worth

AND when we have this picture of eighteen hundred millions of people, moving with blind and halting steps, to be sure, along the road which leads to individual happiness, security and content, we have the inspiration of a vision, if we may claim justly that America will be the pioneer to open wide the path for these advancing hordes.

Surely it is a picture to fix the imagination and to harden the purpose, that America with 5 per cent of the world population, should show the leadership in the translation of the natural resources of the world into the forms of human service.

And when one looks for the practical reasons as to why this exceptional translation of nature's great possessions into man's service, we find that it rests securely upon an industrial philosophy which is distinctly and peculiarly American, also. This industrial philosophy is one which both from conviction and from necessity has placed an extraordinary value upon human labor, by enlarging the product of human hands with every invention and mechanical device which great originality and genius could devise. There was so much to do in this vast empire, and so few, relatively, to perform the task, that there has been a constant economic pressure for the release of manual labor by ingenious devices for mass production.

The economies of production costs which this mass production of America insures and the security of employment which this enlarged competition for workers' services itself assures, is the base on which is sustained the constantly rising tide of American production and distribution.

The effect of American economies and the increasing scale of production and distribution and consumption on which human opportunity and earnings rest, is written not only in the aggregate of national wealth created, but in the increase in only the last ten years of savings accounts in this country from six billion dollars to fourteen billion dollars, and of national bank resources from six billion to seventeen billion.

But if you ask what evidence we have that America's great wealth and earnings are fairly and justly apportioned among our people, we have some measures that indicate the answer may be straightforward and with a national pride. There are figures of average earnings per worker in the manufacturing industry, showing average increases per capita of 100, and then again 200, and then still again 300 per cent, during the progress of this industrial development. Is it not reasonable to assume that the very existence of the great volume of factory production and the great flow of distribution, shows that wealth and buying power are widely distributed, in the hands of millions and millions of consumers? No such volume could be marketed were the ability to buy confined to the fortunate wealthy few.

Now, if those indicators show the magnitude of America's industrial leadership; if those tests indicate as well a social system in which the general level of possession is clearly rising and secure, then they suggest a deeper meaning, which carries an accent of almost startling significance.

We have taught for generations, and it is undoubtedly the truth, that poverty, itself, is the major cause of sickness, suffering, and sometimes death; and more, that poverty is the mother of criminals, and destitution the incentive to crime. For centuries, the effort of the world has been to reduce and to eliminate poverty, from which spring crime and social degeneration. In furtherance of the effort for this attainment there have been constructed social theories of experimentation which, in actual practice, have only written an added chapter of human misery and disappointment. Within the last five years the great experiment of communism, in the effort to apportion the national wealth of Russia so as to eliminate individual poverty, has written a new chapter of misery and suffering, the actual destruction of national wealth, and the steady deterioration of one hundred and fifty million people, until they approach again the living standards of utter barbarism.

Progress Already Made Is Clear

DOES it not make you catch your breath that, here in America, American individualism has written a story of social progress and individual accomplishment which may prove the very outposts of the social advance which will eliminate entirely the age-old horror of destitution? So clear is this progress written in America, so clear the acceleration of advance in the security of individual living in the American home, that it requires not so much thoughtless daring as accurate appraisal of national progress to forecast that America is within striking distance of accomplishing the utter and absolute elimination of poverty, the quest of many centuries of social effort. It is within the possibilities that this may now be actually attained within a single decade, or at most a single generation.

The glory of America may rest in history that, through its own political, social and industrial philosophy and practice, America achieved the utter defeat of poverty and destitution, and charted the course for the world to follow in making secure and high the general level of human happiness.

Its full attainment may be delayed or deflected by ignorant or vicious violations of sound economic law, on which must rest the advancing level of common possession. All those violations of economic law become social injuries that work their harm across every threshold.

There would thus be social injury when organizations of workers, by power of combination, bar the adaptation of labor-saving machinery, or put restrictions on individual effort or accomplishment during hours of labor, or force the dead level of compensation which destroys the incentive to superior individual performance.

There would thus be social injury if the directors and managers of industry, by combination or agreement, defeat the economic pressure for energy and economy in administration, or by such combination levy an unfair toll on the processes of commerce.

Wage scales, and business earnings, forced by arbitrary power, out of step with the advancing front of healthful industry, would play a part in holding back the day when America may proudly challenge the world to find within its borders poverty or destitution which is not the fault solely of criminal or mental defect.

Interference Holds Us Back

THERE would be also social injury when political or governmental authority, in ignorance or in malice, should cripple or destroy the free working of economic law by injecting itself unwisely into the processes of industry.

The legislative menace that breeds distrust, apprehension and disorganization of employing enterprise, waves of thoughtless political action by voters temporarily blind through unreasoning resentment at real or fancied wrongs; ignorant or insincere national isolation that would raise no hand to help solve the problems of our overseas customers, upon whom rests a great part of our industrial activity; ignorance and envy, displayed through unequal and unwise tax laws which stifle the spirit to venture into enterprise—all these things work to hold back the fulfillment of America's manifest social and industrial destiny, and therefore all these things become social injuries to every citizen.

In this picture of America's progress and of its manifest destiny is no repellent Frankenstein of uninspired efficiency, but rather a vision which gives meaning and purpose to the daily effort, whether at the desk of management or at the bench of labor. It runs square with the soundest policies of industrial management.

If what I have then pictured as the ultimate goal of America's material progress—if that goal is invested with the idealism which robs it of any sordid and selfish aspect—then there devolves upon organized industry a new and solemn responsibility. This responsibility is that there shall be preserved in America the conditions under which this splendid material progress has been created; that the political philosophy resting on the conception that government owes a prime obligation to preserve the equality of opportunity for individual effort, as against organized imposition, is a precious possession for us and for all the world as well.

This vision gives fresh courage and fresh inspiration against the assaults of those who would inject government into the natural processes of trade and the individual activities of its citizens.

It Costs Too Much to Sell Our Food

THE expense of manufacturing and marketing food, the increase between what the farmer gets and what the consumer pays, has caused more discussion and more feeling than any other of our problems of distribution. Food is the thing nearest home to most of us, after all, and farm prices and home prices seem far apart. Mr. B. F. Yoakum, who writes this article, the second of our new series on distribution, was for a long time chairman of the board of the St. Louis & San Francisco Railroad and has held high office in other lines. To an intimate knowledge of transportation he adds a personal knowledge of the farmer's problems, for he himself has directed farms south and north. Much of Mr. Yoakum's time in late years has been given to this vexed question of the cost of food distrbution. At his own expense and the cost of his own time he has been gathering figures and seeking to learn where lay the waste. He believes that the solution lies partly in better and more skilful cooperative marketing methods by the farmer, but he believes also that those methods will never be put in force unless the business world lends its hand. What Mr. Yoakum here writes carries an appeal to farmer, manufacturer, shipper and consumer.—The Editor.

By B. F. YOAKUM

THE importance of cooperative marketing, the importance of cooperative marketing and organized association of consumers for direct dealing between producer and consumer, is a subject I have discussed with farm organizations, consumers and commercial bodies.

Response and willingness to formulate a plan to commercialize farming met with enthusiastic and hearty support from the farming element, but not from the commercial and banking interests. A few, engaged in commerce and banking, gave cordial endorsement, but as a general rule business interests were cold and indifferent. They thought little, and cared less, concerning the forecasts I then made regarding agriculture, which are now so generally in evidence.

I then foresaw that the margin of profit between the producers and consumers especially of food was being gobbled up through a marketing system, which has steadily become a greater burden upon both the producer and the consumer.

At some expense and a lot of time I have undertaken to locate the principal cause of this big economic waste between the farm and the table. I had a careful investigation made in several of the largest centers of population. The information I acquired from this investigation and from other sources is interesting and is sufficiently accurate for us to approximate the real situation.

When I first began to investigate this subject the business and financial world were not ready to cooperate with the farmer. The situation is now different. No subject is receiving more attention than the farming industry, commencing with those at Washington down to the smallest community politician. Bankers, manufacturers and commercial interests generally are beginning to realize the importance of the relations of the farming industry to the general business and welfare of the country; but they have not as yet gone to the root of the real difficulties. They have not extended the kind of cooperative effort that is needed. I do not mean by this in a monetary or credit way.

A wise policy for the readers of THE NATION'S BUSINESS to pursue for the greatest good would be whole-hearted cooperation with the farmers in their efforts to establish closer contact with consumers. Farmers, for the first time, are organizing in a permanent and substantial manner. They have seen all other industries grow and prosper, while theirs has gone down to a point of bankruptcy. They know that, unless their business can be made profitable and placed on a sound business basis, it is better for them to seek other vocations.

The farmers know the need of an equitable marketing system that will take them to the heart of the big consuming centers. They also know that all the big organizations—industrial and labor—have been able to get what they need for the protection of their respective interests through political power. Therefore, the farmers through their organizations are seeking political influence that will aid them in advancing the best interests of their business. I can't make my meaning any clearer than to quote an extract from a recent letter written to me by a genuine farmer of many years, and influential in one of the large farm organizations of the country whose membership consists only of real and practical farmers. He says:

> Let me assure you that our affiliation with the American Federation of Labor is only in a fraternal way. We are associated together by a common bond of interest. We are laboring for the mutual benefit of both—*industrially* and *politically*. I mean both organized and unorganized laboring people. So you see, there is no amalgamation between the Farm Labor Union and the American Federation of Labor; just a mutual working understanding.
>
> I have read your Third Series. You bring forth some points in a way that is startling to readers of your articles, and I am proud to say that they are going to be a great means in assisting the farmer in receiving equal rights, both industrially and politically.

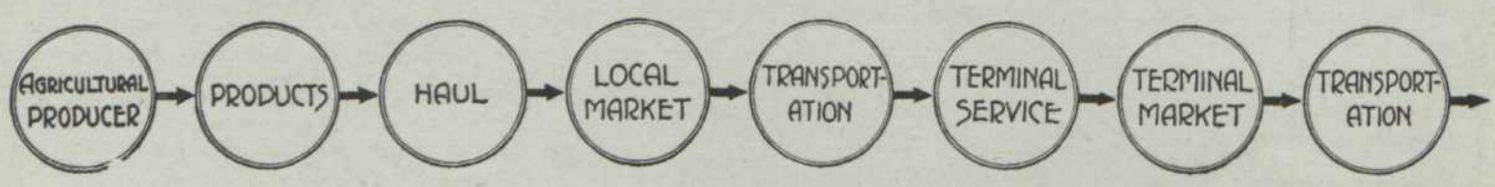
When the business interests of the country realize that it is costing $2 to distribute foodstuff, including cost, profits, commissions, etc., to each $1 paid the producer they will realize that it is of paramount importance to their business and the continuation of the country's prosperity that they throw their influence and force towards cooperative work with the farmer, that they may carry on their business with a profit to themselves and under the same general rules that govern other industries. As financial heads and managers of great industrial enterprises, they must know that no business, big or little, can operate on one-third of the dollar others pay for their goods. It can't be done!

For the purpose of showing what a tremendous loss the farmer sustained in 1922 by this burdensome distribution cost, I will use for comparison the potato, a standard daily food that finds its way to every table:

Taking the financial results to farmers on potatoes as they are with what they should be, the total potato crop of 1922 was in bushels	451,185,000
The average farm price for potatoes was 56 cents per bushel, or (using round figures)	$252,000,000
Estimating the consumer paid 3 1/3 cents per pound or $2 per bushel of 60 pounds, the cost of these 56-cent potatoes to the consumer was	902,000,000
Had the farmer received two-thirds of the price paid by the consumer he would have received	601,000,000
A difference between the farm price as it was and what it should have been of	349,000,000

New York is the third potato-producing state of the Union. There are 193,195 farms in the state.

The 1922 crop report of the United States Department of Agriculture showed that the average price for potatoes received by the farmer was 56 cents per bushel. I wrote to the department inquiring what the consumer paid for these 56-cent potatoes. Officials replied they did not have the information and that "the ideal way to make this comparison is to take the farm price of certain shipments of potatoes and the price of same in the retailer's market. This I have done for two years, and the results of my investigation disclosed among other things that



Long Island potatoes sold on the farm at 60 cents a bushel were sold at retail to the consumer in New York at the rate of three pounds for 10 cents, or $2 per bushel. In this connection I find that this difference between farm prices and retail prices prevails at all times, regardless of the price paid to the farmer. To illustrate, if the farm price of potatoes is $3 per barrel, the retail price to the consumer is 5 cents per pound, or $9 a barrel, 180 pounds.

I made similar tests on other articles of food besides potatoes, and in some cases these sold to the consumer at 300 per cent in excess of the prices paid to the farmers. All of these tests were made on foodstuffs grown within thirty to sixty miles of New York, the greatest center of food consumption in the world.

The wheat farmer has suffered tremendous loss. His wheat has cost 30 cents a bushel more to produce than he can sell it for, yet dealers make large profits by selling bread to consumers.

From a survey made by the Bureau of Markets of New York City, under the direction of Mrs. Louis Reed Welzmiller, deputy commissioner, with a corps of 125 market inspectors, it was found that the retailers were making from 30 to 50 per cent profit on bread sold to consumers.

An inquiry affecting 3,500 bread bakers demonstrates another important fact, which I have asserted, which is that the profit made on a food article can be checked, and that every charge between the farm and the consumer be made known, so that all unnecessary costs, profits, commissions and expenses can be cut out. The best and quickest way for this to be accomplished is through producers' and consumers' cooperative organizations. One is the grower, the other the buyer.

Getting back to the political aspect arising from the long neglect of the farmers' interest by the government, the question as to whether or not organized labor will become an asset or liability to the farmer is debatable.

In a recent publication touching upon this subject, former Vice-President Thomas R. Marshall, says:

> The farmer seems to think that the farm-labor combination is of benefit to him; the labor side is easy to understand; if the laborer has to pay more for farm products, he will have to have more pay—and he very probably will get more. The condition of the farmer is anything but funny; the thought however, that the farmer should hook himself up in a political combination with the fellow who has been responsible for his condition, is to me, amusing.

The farm-labor proposition analyzed presents some questions that may be regarded as fundamental. As I have said, there are approximately 34 million farm population cultivating 6½ million farms, who have the job of feeding the other 76 million people, 40 million of whom are workers. As far back as 1911, before the southwestern growers, I said:

> The two classes who will receive the greatest benefit through cooperation between themselves are those who produce the food and those who consume it. The closer relations are established between the two, the better it will be for both.

Therefore, may it not become advantageous to the farmer to utilize industrial labor, who may in addition to being large consumers, be helpful to the farmer through their political strength and influence? Unquestionably, the farmer would be better off from a business standpoint by avoiding entangling political alliances. They have been "chestnut pullers" for others long enough.

> A business which produces enormous new wealth annually is a business which, when concretely organized, can stand alone without amalgamation with other interests, except where it is made to its interests and under terms of its dictation.

The farm value of last year's crop in the United States was $7,500,000,000, deducting the value of animal products, cotton and tobacco. Therefore, as the farmer receives only one-third of what the consumer pays, as established by the highest authorities and common knowledge, a simple sum in arithmetic tells us that the consumer pays $22,500,000,000 for the $7,500,000,000 crop, distribution costing the enormous sum of $15,000,000,000. I contend that this division should be reversed, the farmer receiving the $15,000,000,000 and $7,500,000,000 going to the distributor.

For instance, in New York City 80,000 concerns are selling foodstuffs of all kinds to 6,000,000 people. On the basis of five to a family, 400,000 food-dealer population in New York are supported through distribution, not to mention the army of employes—office help, clerks, delivery people and others—or one food-dealer population to every fifteen of city population, exclusive of employees.

Hartford, with a population of 138,000, has 1,000 food dealers, or 5,000 food-dealer population, which means one food-dealer population, exclusive of employes, to every twenty-eight of city population.

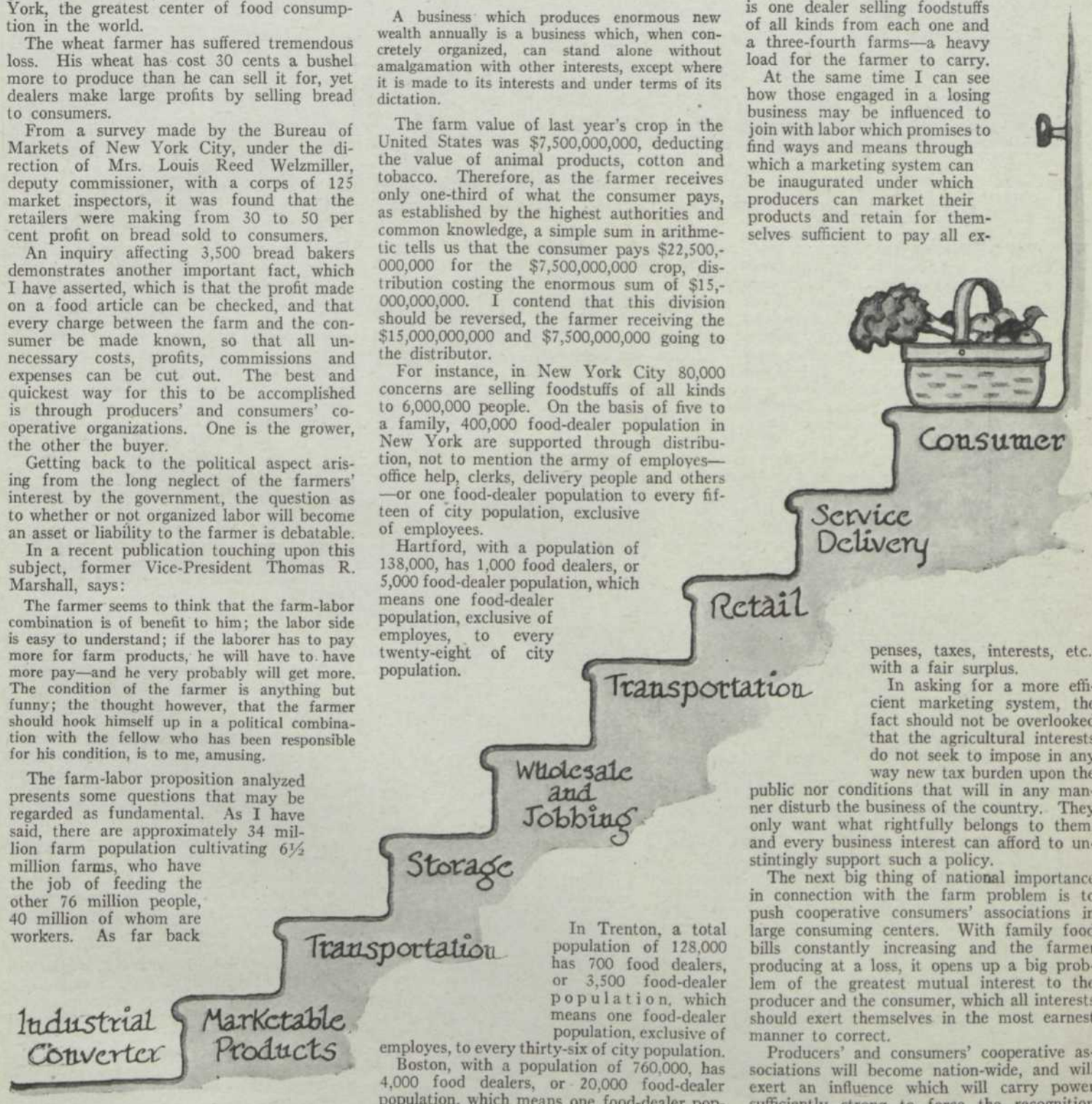
In Trenton, a total population of 128,000 has 700 food dealers, or 3,500 food-dealer population, which means one food-dealer population, exclusive of employes, to every thirty-six of city population.

Boston, with a population of 760,000, has 4,000 food dealers, or 20,000 food-dealer population, which means one food-dealer population, exclusive of employes, to every thirty-eight of city population.

Dallas, with a population of 165,000, is served by 1,035 food dealers, or 5,175 food-dealer population, which means one food-dealer population, exclusive of employes, to every thirty-two of city population.

There are 6,500,000 families on farms, and estimating five to the family gives approximately 33,500,000 farm population. Taking as a basis the figures shown by my investigation, there are about 3,793,000 food dealers engaged in selling foodstuffs of every kind produced by the 33,500,000 farm population. Using the same ratio as for farm population, five to the family, there are about 19,000,000 food-dealer population. That is, there is one food-dealer population to each one and three-fourths of farm population. Or, to put it another way, there is one dealer selling foodstuffs of all kinds from each one and a three-fourth farms—a heavy load for the farmer to carry.

At the same time I can see how those engaged in a losing business may be influenced to join with labor which promises to find ways and means through which a marketing system can be inaugurated under which producers can market their products and retain for themselves sufficient to pay all expenses, taxes, interests, etc., with a fair surplus.



In asking for a more efficient marketing system, the fact should not be overlooked that the agricultural interests do not seek to impose in any way new tax burden upon the public nor conditions that will in any manner disturb the business of the country. They only want what rightfully belongs to them, and every business interest can afford to unstintingly support such a policy.

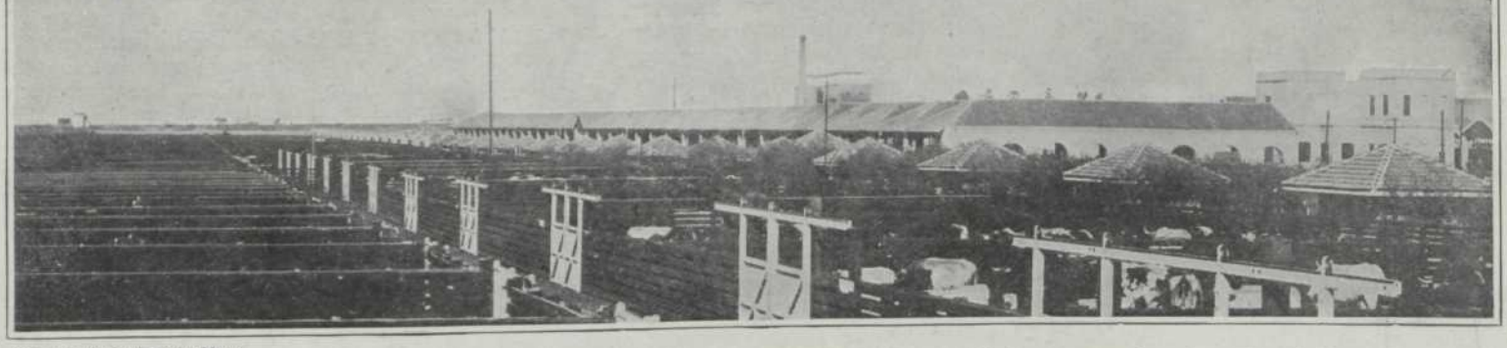
The next big thing of national importance in connection with the farm problem is to push cooperative consumers' associations in large consuming centers. With family food bills constantly increasing and the farmer producing at a loss, it opens up a big problem of the greatest mutual interest to the producer and the consumer, which all interests should exert themselves in the most earnest manner to correct.

Producers' and consumers' cooperative associations will become nation-wide, and will exert an influence which will carry power sufficiently strong to force the recognition that they deserve, eliminating the enormous burden that the farmers and consumers are compelled to carry.

Here's a Trust Allowed to Do It All

A Vertical Combine in Action

By WARREN BISHOP



Courtesy Dept. of Agriculture

The Vestey interests, owning largest cold storage business in the world, have gone first into the killing, dressing and packing of meats, and then into wholesaling and retailing throughout Great Britain

WE THINK of the American meat-packing industry in superlatives—in billions of dollars and millions of tons of meat. It ranks first in lists of our manufactures, with petroleum and automobiles following more or less humbly in its wake.

But if turning cattle and hogs into food is our largest business, it doesn't follow that the largest business of that nature under one control is in the United States. Certainly there is no American packing company which rivals in the variety of its operations the interests controlled by the Vesteys in Great Britain.

Vestey may not mean much to most Americans, but it hits the British householder right in the center of his internal economy, for the Vesteys import perhaps a third of the meat eaten in the British Isles. They own or control packing plants in Argentina, Uruguay, Brazil, Venezuela, Patagonia, Australia, New Zealand, South Africa, Canada and China. They own a fleet of refrigerated ships. They own or control a third of the cold storage space available in the United Kingdom. And on top of all this they own some 2,500 retail shops where is sold the chilled or frozen meat they bring in. A vertical trust of startling proportions! "The roast beef of old England" now goes under one supervision from a South American ranch to the dinner table in a London suburb.

Moreover, one of the Vestey brothers has been made Baron Vestey of Kingswood, and the other is a baronet. Few government honors have fallen on the leaders of the American packing industry.

These facts are gathered from a report to the Department of Agriculture by Charles J. Brand, who spent some months in Europe earlier this year investigating marketing conditions in Europe. Mr. Brand doesn't say that the Vestey interests form the largest single meat business in the world, but he does cite them as an interesting exhibit of a vertical trust in operation and of the contrasting attitudes of the Governments of Great Britain and the United States towards the regulation of large industries.

An illustration of this latter point is found in a dispatch sent to the Associated Press in July by its London correspondent. The acquisition of retail stores by the Union Cold Storage Company, a Vestey concern, came up in the House of Commons. The dispatch goes on:

A member asked the president of the Board of Trade, Sir Philip Lloyd-Greame, whether he proposed to take steps to protect the consumers against any attempts at exploitation by such a combination or to introduce legislation dealing with trusts and combines.

Sir Philip replied that he had no reason to suppose the contemplated consolidation would be disadvantageous to the consumer and said the Government did not consider it necessary to introduce general legislation of the kind referred to in the critical state of trade.

England reaches out to all four quarters of the globe to supplement her supplies of home-grown beef, and these foreign meats come chilled or frozen solid and must be kept so on arrival. It was by way of this cold storage business that the Vestey brothers entered the meat business and they own about one-third of the available cold storage in Great Britain.

"They can store comfortably at one time more than a whole year's shipment of mutton from New Zealand. This would be in the neighborhood of 3,000,000 carcasses. Their cold storage business is the largest of its kind in the world."

The quotation is from Mr. Brand, and he goes on to say that the Vesteys in addition to their storage plants in the countries where meat originates and in Great Britain have storages in France, the United States, Spain and Russia. Not only do they chill or freeze hundreds of thousands of carcasses of meat monthly, but they make great quantities of ice.

From this branch of the business the Vesteys moved in one direction towards the field of killing, dressing and packing cattle and in the other towards selling meat at retail. The Union Cold Storage Company moved into the Argentine by way of the British and Argentine Meat Company, whose shares it bought. The British Argentine Company was a fusion of the Las Palmas Produce Company and the River Platte Fresh Meat Company, and besides owing the biggest plant in the Argentine, had 900 retail shops in England.

(Note to reader.—To be thoroughly British please refer to the last-named as "multiple shops," not as "chain stores."—Editor.)

Through a sub-subsidiary, the Las Palmas Produce Company, the Vesteys have a partner in the British government, which directed in some measure the business and shared in the profits. This was a war-time management which has continued at least until very recently. The Venezuelan Meat Export Company, the Brazilian Meat Company, and the Anglo-South American Meat Company carry the Vestey interests into other quarters of South America, while through half a dozen other companies they touch Australia, South Africa, New Zealand and even China.

Argentina and Uruguay are the chief sources of South American meat, and of these coun-



The gaucho, cow-puncher of the Argentine

Courtesy Dept. of Agriculture

tries Mr. Brand figures that packers from the United States control 57.2 per cent of the output, but that the Vesteys control more than any single American competitor, more than the 28.2 per cent which is in the hands of Swift & Company.

Having packing plants in various quarters of the world and cold storage plants in Great Britain, the Vesteys have linked them by a fleet of steamers, the Blue Star Line, with twenty-three ships in commission. Of these eighteen carry frozen meat with a total refrigerated capacity of more than 5,500,000 tons, some 8 or 9 per cent of the refrigerated ship capacity of Great Britain.

The story told by Mr. Brand of the genesis of the Blue Star Line is interesting. Soon after the beginning of the war the Vesteys, with great quantities of needed beef in South America and vast cold storage houses in Europe, found "that the American packing companies had secured from the important steamship lines what amounted to a practical monopoly of all of the available refrigerated steamship space for Europe."

That is Lord Vestey's version. Other authorities disagree with him. In any event, he bought one or two ships and set about building others. Now he feels himself free from his competitors.



Courtesy Dept. of Agriculture

Putting the Briton brand on beeves in South America

The retail side of the Vestey business is not a new one. It was begun twenty-five years ago in the effort to overcome British prejudices against frozen meats. The first American exporters of chilled beef had to fight a like prejudice when they began shipments. When the Vesteys first received frozen meat from the Argentine, British retailers would not handle it. The importers retorted by opening their own shops and as time went on acquired other chains. Mr. Brand says they own these:

W. & R. Fletcher, Ltd.....	400	shops
Argenta, Ltd.....	300	"
Eastman's, Ltd.....	900	"
Ainslie Brothers.....	100	"
British & Argentine.....	900	"

In addition, says Mr. Brand, they are credited with owning two other chains. But even with the 2,500 or more just listed the Vesteys make a substantial showing of shops devoted to the sale of just one thing, fresh meat, for as a rule in Great Britain the fresh meat shops do not handle the bacon, hams, lard and other food which we lump together under the head of provisions. The multiple shops of the Vesteys stand well up with the chain stores of America. The Atlantic & Pacific Company, with some 8,000 stores far outnumbers the Vestey chains, but it is doubtful if any other American concern has many more. Chain stores dealing in fresh meat are not novel in England. Another company has 1,000 under one management.

The Vesteys—and this is perhaps a common experience of chain stores—began their retailing in the poorer quarters of the English cities and are gradually penetrating the better residence neighborhoods. The operation of the stores is as simple as it can be made. The central office of the Union Cold Storage selects only district managers. They in turn choose shop managers and shop managers their assistants. The various chains continue, at least in name, to operate independently. The problem of getting rid of cheap cuts of meat is put up to shop managers, for they are only allowed to order whole pigs and sheep and half-beeves.

Another point is that the question of price-fixing is largely left with the local managers, so that they may face local competition in the best way. What the shop manager is asked for is profit; while he shows this profit regularly he is not interfered with, but is allowed to develop his own resourcefulness to the utmost.

The Vestey interests have grown along the line of an almost complete vertical trust, for they even control a few ranches, although by far the largest part of their meat is secured from outside sources. Much of their activities would be unlawful on the part of the American packers. By the consent decree of 1920 the latter are expressly forbidden to own retail shops. Nor may our packers conduct cold storage plants except for their own products or run refrigerator cars or automobiles for others' products. None of the American packers has ever undertaken to own refrigerated ships.

The Vestey interests not only handle their imports in retail shops, but at wholesale in Smithfield market stalls, so that sometimes they are selling to their own competitors in the retail field. They control docks in the chief ports of Great Britain, and they control lighterage and cartage companies to handle their products. Through W. Weddel & Company they publish *The Review of the Frozen Meat Trade*. The packers consent decree expressly ordered the American packers to dispose of their interests in any market newspapers.

It is interesting that the Vesteys are not all "made in Great Britain." Lord Vestey, who was born in Liverpool sixty-four years ago, came to America when he was twenty and stayed here seven years, chiefly in Kansas City and Chicago. All his brothers and sisters at one time or another lived here, and one of his grandparents is buried in Wisconsin. So the United States may have some credit for his training, if not for the ideas which he has developed on such a far-reaching scale. In fact, Mr. Brand says of him:

"Lord Vestey gives the impression of being very much like an American business man, slightly tinged with some of the ideas that we now attribute to the old school."

EDITOR'S NOTE: Stanley M. Bruce, Premier of Australia, has been in London pleading for a preferential tariff to overcome the "British dependence upon the United States for foodstuffs and meats." Of meats he said, "The British market is practically at the mercy of a great combine over which Great Britain has no control at all, which at the present moment is surely and inevitably driving Australia out of meat production." But if Britain fears an American "meat trust," what of Britain's own encouragement of a vertical trust in meat beside which American enterprise seems hampered?



Over 2,600 retail shops

The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington November, 1923

Frenzied Finance in Germany

NINETY PER CENT seems pretty high as a rediscount rate, but that on September 15 was made the official rate of the central bank in Germany. Of course, such a rate was adopted in an endeavor to keep up with the depreciation of the mark.

For that purpose, the London *Statist* reckons, the rate was not high enough. It works out as equivalent to 900 per cent a year. Even such a fantastic interest rate would not put a bank into sufficient funds when a loan is paid. The mark depreciated so rapidly in August that if a bank made a loan on August 1 for thirty days it would have had to charge interest at 1,000 per cent a month in order to have on September 1 the purchasing-power with which it parted a month before.

Banking is not the only field in which mathematics in Germany run into amazing figures. The surtax levied when customs duties, expressed in gold, are paid in paper was officially for the period of September 22 to 25 no less than 3,359,999,900 per cent! On September 26 the value of a German mark as certified by the New York Reserve Bank to the Secretary of the Treasury, for purposes of our customs service, was $.00000000823. As we go to press it is but a third of that figure.

The dropping mark, of course, plays havoc in other directions as well. On September 1 new passenger rates were put into effect on some of the German railroads. The second-class fare from Stuttgart to Berlin, for example, was posted as 26,400,000 marks. On September 1 the new rates worked out as equivalent to one-half cent a mile in our money for second-class, one-fourth cent for third class, and one-fifth cent for fourth.

How long the tariff of September 1 remained in effect there is no news, but it probably was replaced very shortly with a new one, bearing more ciphers. Between August 21 and August 31 the railroads of Germany were so far from being able to keep up with the fleeing mark that they had a deficit of 244,000 billion marks.

The downward way of inflation has picturesque consequences in figures.

P. S.—Before this information could be sent to the printer the official discount rate in Germany was made 108 per cent! Such a rate should certainly restrain discounting.

Not for Human Internal Combustion

THE KING has directed officials in Sweden to make "all haste" and investigate a new motor fuel he has heard exists within his kingdom. Out of the waste products of paper mills it is possible to recover sulphite alcohol. When tried in automobiles this material had the disadvantage of requiring a special engine and a new carburetor, and even with these conveniences it seems to have clogged the engine. By redistillation, however, the possibility of continuous use appears to have been developed.

At this point, however, the Board for Control of Alcoholic Liquors stepped in and threatened to destroy the prospects of a country without petroleum rendering its motor cars free from dependence upon foreign supplies of fuel. Being highly suspicious by nature, the Board held to the view that the liquid must be inebriating. It has now concluded that there is no danger on this score to the public, as the stuff cannot be used as a beverage. Thereupon, the King expressed his official interest.

Bricks Laid By Machine

A MECHANICAL BRICKLAYER has been invented by a Scotchman. Very probably the device sprang full-grown from the heat of his indignation over the performance of the every-day sort of bricklayer. With a mortar tank, a hopper of brick, and a motor the new machine is said to lay its course of brick, come back, break joints, and even skip the openings. The thing "taps" each brick to settle it in the mortar.

In short, the machine is a very paragon in technique. Besides, it has amazing capacity for work. It makes such speed that three men have all they can do to keep it full of new bricks and fresh mortar. It is described as laying 1,200 to 1,500 bricks an hour, or 12,000 a day if it sticks to the ordinary bricklayer's day.

The Supreme Court's Business Cases

THE SUPREME COURT will have before it this year important cases of many kinds. The Transportation Act, the Sherman Act, and the powers of the Federal Trade Commission are a few of the subjects about which pending cases raise questions.

On November 12 there will be argument before the court regarding the provision of the Transportation Act which contemplates a railroad paying over to the United States, to go into a fund administered by the Interstate Commerce Commission "in furtherance of the public interest in transportation," one-half of excess net earnings over a fair return. The other half a railroad is to carry in a reserve fund, using this fund only for interest payments, dividend payments, etc., in years when its net railway operating income is under a fair return.

A short railroad in a southern oil field, making high earnings, has challenged the constitutionality of the provision. In the lower court it lost, because the judge held the payment was in the nature of a tax, and the collection of taxes cannot be enjoined. The road has brought the question to the Supreme Court. This is the so-called Goose-Creek case.

On the same day the court will hear arguments in two cases arising under the Sherman Act. In one of these cases the Department of Justice in the lower court obtained an injunction against continuance of a "wage-scale contract" between the National Association of Window Glass Manufacturers and a union. According to the Government, the contract caused the different plants to operate by periods, in a way that limited production. One element in the case may be the competition by the manufacturers of hand-made glass with the makers of glass by machinery. The other case is the Government's attempt to deal with the New York Coffee and Sugar Exchange as an agency alleged to be responsible for the high prices of sugar which caused a furor not so very long ago. In the lower court the Government failed. It will try again in the Supreme Court.

For good measure the Supreme Court will endeavor to hear on November 12, or later in the same week, arguments also about the way Missouri has attempted to deal with a national bank. The Supreme Court of the state held that establishment of branch banks by a national bank was a violation of state and federal statutes. The case was argued before the Supreme Court last May, but the court later indicated it wanted more argument, especially of the point whether or not the State of

Missouri has authority to institute a proceeding to question compliance by a national bank with its charter obtained from the Federal Government.

The power of the Federal Trade Commission to require industries to give it statistics of production, costs, and the like will be argued on December 3. This is the so-called Claire Furnace case, arising out of the commission's endeavors to obtain statistical information from the steel companies. There is a like case respecting coal mining, held in abeyance in the lower court for the decision in this case. The lower court denied the Trade Commission's power. Meanwhile, the Coal Commission has recommended that reports very much like those the Trade Commission sought should be obtained by a federal agency. By mid-winter the Supreme Court may have decided pretty clearly how far the requirements of reports on costs, profits, and the like may be imposed upon manufacturing and mining enterprises.

In fact, on October 8, it took an action which may tend to strengthen the impression it gave when it decided the Pennsylvania anthracite-tax case, that it may consider mining of coal out of reach of the Federal Government. On October 8 the court followed the unusual course of granting a request for reargument of a decided case. In this case it had held that a state could not enforce regulations intended to give its own people a preference in use of a natural resource. By reopening this case, which had its origin in an attempt by West Virginia to give West Virginians their requirements in natural gas produced in West Virginia before gas was sent to such states as Pennsylvania and Ohio, the court apparently undertakes to consider further whether or not the state's control does not go farther, and the federal jurisdiction over interstate commerce less far, than the court indicated before.

The Trade Commission is also having recourse to the Supreme Court in connection with its effort to get access to the books of some grain exporters in the course of an investigation it was making upon instruction from one of the two Houses of Congress. When some Baltimore grain houses refused, the lower court upheld them. A similar situation developed in another federal court when some tobacco manufacturers demurred to the proposals of the commission and this situation, likewise, will come before the Supreme Court.

Altogether, the Supreme Court may have a number of very interesting decisions to announce this winter.

Par Remittance Still in Court

PAR REMITTANCE for checks was briefly before the Supreme Court on October 8. On June 11 the Supreme Court handed down decisions in the so-called Atlanta case and North Carolina case. Setting out reasons which supported a request for further enlightenment, the Richmond Reserve Bank petitioned in October for a rehearing of the North Carolina case.

After deciding a case, the Supreme Court likes to have it stay decided. In the North Carolina case over remittance for checks it apparently saw no reason to depart from its rule. At any rate, the petition was denied.

The North Carolina case, however, seems destined to come before the Supreme Court in another phase. The legislature of North Carolina, it will be recalled, undertook to authorize banks to use either cash or drafts in making payment for checks presented by reserve banks. The Richmond Reserve Bank in collecting a check upon a state bank not a member of the reserve system accepted a draft, found the bank on which the draft was drawn refused to honor it, and when it got back to the original bank discovered it in the hands of a receiver. The owner of the check took the position that the reserve bank had been negligent in accepting a draft instead of demanding cash.

Two lower federal courts have agreed, and the controversy has now got to the Supreme Court, which seemed to incline the other way in decision of the North Carolina case in June. Acting for the Richmond Bank, the Department of Justice has asked that the court set the case for early argument.

Why Chide the Banker?

SOME THERE are who still think the banker wears horns. Who is the hard-boiled citizen, the man behind the thumbscrew? The banker, they will tell you. In the light of this illusion, consider a brief excerpt from the resolutions adopted at the recent Atlantic City convention of the American Bankers Association:

> . . . the conclusion is inevitably forced on the impartial observer that the primary need of the world is moral and spiritual regeneration as the essential basis for economic recovery. Until the nations of the world are willing to liquidate their hates they can make little progress toward liquidating their debts.

Hard-boiled? Not that! It harks back to Socrates. "The true politics," he said, "is first of all a politics of the soul."

Come to think of it, when we want someone to take care of our funds, to whom do we turn? To the banker. When we are in a tight place and need funds, to whom do we turn? To the banker. When there's a civic enterprise afoot, whose time and money do we commandeer first? The banker's.

Old Ed Howe says in the last issue of his inimitable monthly that the best banker is not the "live wire" but the sour old codger who throws cold water on wildcat schemes. There may be a deal of truth in that, but it still doesn't explain the common prejudice against that branch of business.

It is an odd psychological quirk. We wish someone would explain it to us.

Is a Tree a Quill or Feathers?

CHRISTMAS TREES, pin-cushions, and chimes are among the troubles of the Court of Customs Appeals. These particular Christmas trees are made of feathers of ducks and geese, and a customs man assessed them for duty as "manufactures of quill." The Treasury wants three times as much duty, on the ground they are manufactures in chief value of feathers.

The pin-cushions are peculiar, too. Instead of being of the orthodox variety, they are fashioned into the semblance of tomatoes and apples. The Treasury wants them assessed with duty as artificial fruit instead of manufactures of silk.

A set of chimes was imported to be given to Yale University. The chimes were assessed as musical instruments, but the donor thinks they should be admited free of duty as philosophical instruments.

It is perfectly clear that, no matter how hard-working tariff-makers may be, they cannot succeed in foreseeing all the forms of merchandise that will be offered for import into the United States.

A Distinguished Philosopher Recalled

MUCH IS SAID of balanced and unbalanced budgets. European governments are paying current bills with borrowed money, and economists and statesmen urge them to mend their way. Over here a surplus threatens. Surpluses are doubtful benefits for governments, perhaps, but how much easier they are to contemplate than deficits.

Once more we are reminded of the words addressed to David Copperfield by that profound philosopher and eminent economist, the Hon. Wilkins Micawber:

"Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery."



W. J. L. BANHAM
General Traffic Manager, Otis Elevator Co.



ALVAN MACAULEY
President, Packard Motor Car Company



T. Q. ASHBURN
Chief, Div. of Inland and Coastwise Waterways Service, War Dept.



W. B. STOREY
President, Atchison, Topeka & Santa Fe System



ARCHIBALD FRIES
Vice-President Baltimore & Ohio Railroad Co.



EMORY R. JOHNSON
Dean, Wharton School of Finance and Commerce Univ. of Pennsylvania

The Railroads---Ten Years From Now

Last Month We Published an Article by Lowell Mellett on the Forward Move in Transportation. Here Are Some of the Men Who Are Working in the National Chamber's Transportation Conference Preparing Plans to Meet Future Demands on the Railroads and These Are Facts They Face.

YOU HAVE STOOD on the sidewalk and gazed up at the sky, watching a tiny bug describe wide circles and slants and then the appearance in vast letters of smoke of this magic symbol—"LUCKY STRIKE." And you have said to yourself, as the bug stepped on the gas and sailed away to edify another populace miles removed, "What'll they do next?"

Can't you imagine what they'll do next? Can't you imagine a whole fleet of these bugs aviating across the sky and unrolling behind them a 6 x 4 (miles) half-tone reproduction of a handsome gray-mustached club gentleman, smoking another brand of cigarettes, with an expression which makes it unnecessary to announce, as another little smoke-quirting bug will be announcing, that They Satisfy?

Can't you imagine the whole zenith transformed into one colossal department-store advertisement—pictures, prices and all? You can't? I can't either, and I hope it never happens, but the past few decades on this earth have proved that nobody knows what's going to happen next. And you should be building up your business to the point where you can afford to contract for your share of space in the sky, for nobody can guarantee that the aviator ad-men won't be dropping in on you one of these days.

This wild hop-skip-and-jump into the future results from listening in on some of the meetings of the serious statistical folks who have been getting their figures ready for the coming National Transportation Conference. Their job is to forecast, as wisely as they can, the tons of freight and the millions of passengers that are to be hauled on the railways, highways and waterways of the United States ten years from now. If their forecast is convincing, it is expected that the three ways named will prepare themselves for the job of hauling indicated.

Transportation is seeking to take a long view of its problems. Ten years may not be considered long; but it represents much farther thinking ahead than has been the case in recent years, when the transportation men, feeling themselves on the defensive, have kept their eyes on the job immediately before their noses and have been more or less bumped and jostled along from year to year by our amazing modern development.

"But," asks Smith, department-store owner in Massachusetts, and Brown, churn manufacturer in Iowa, "why bother us with all this? Our time is taken up with wondering whether fancy stockings will be worn next spring and where our factory coal will come from this winter. Let the railroads tackle their troubles. We have a supply of our own."

Exactly, but like it or not, Mr. Brown and Mr. Smith must and ought to understand the railroads' problems. Not only does transportation figure in everything they buy and sell—which is a commonplace—but transportation is under the public thumb as is no other industry. And that public thumb—Congress, legislatures, commissions, national and state—moves largely as public sentiment directs. When the business men of the country see the railroads with something more in their minds than cheaper freight bills, with an understanding that the nation's whole future is involved, then and not until then shall we have not only fair play for the railroads but fair play for the country.

The last twenty years utter a warning that cannot be disregarded. Listen to these figures:

The ton-mileage on American railroads increased from 141,599 millions of ton-miles in 1900 to 413,675 millions of ton-miles in 1920.

That means that three times as many tons of freight were hauled one mile in 1920 as were hauled one mile in 1900. Of course, the population of the United States increased during that period; yet it increased less than 40 per cent, against the 200 per cent increase in ton-mileage. To make clear what has happened and is happening, you can take the total ton-mileage of each of those years and divide it by the population. So you will find for each man, woman and child in the United States in 1900 the railroads carried 1,860 tons of freight one mile. For each man, woman and child in the United States in 1920 the railroads hauled 3,902 tons one mile. In other words, for each one of us the railroads did twice as much hauling in 1920 as they did in 1900.

Before we start analyzing this statement, let's hear your objection to the figures. Preposterous, you say. Three thousand nine hundred and two tons of freight hauled for you? Why, you had hardly anything shipped to you in 1920, did you? There was that set of books from New York, and your new automobile from Detroit, and, well, if you sat down and went over it carefully, you could remember everything the railroads brought you. Five tons certainly would cover it completely and leave a wide margin all around. And you live as well and use the freights as much as the average American. 3,902 tons? Absurd!

So it is necessary to remind you of the groceries that were eaten in 1920 and the meat and the fruit, the coal that was burned, the furniture that was installed, the streets that were paved, the buildings that were built, and so on and so on until you begin to get the picture which is called per capita ton-mileage.

That is to say, until you understand that the total in tons of bricks, granite, cement, steel rails, lumber, baked beans, mahogany music boxes, radio sets, shoes, stockings, Florida grapefruit, spare parts for cars, fertilizers for farms and what not and what else not, shipped in one year, make up a certain number of billions of tons. And if you divide the billions of tons by the millions of Americans, you have a figure that represents the number of tons hauled for you.

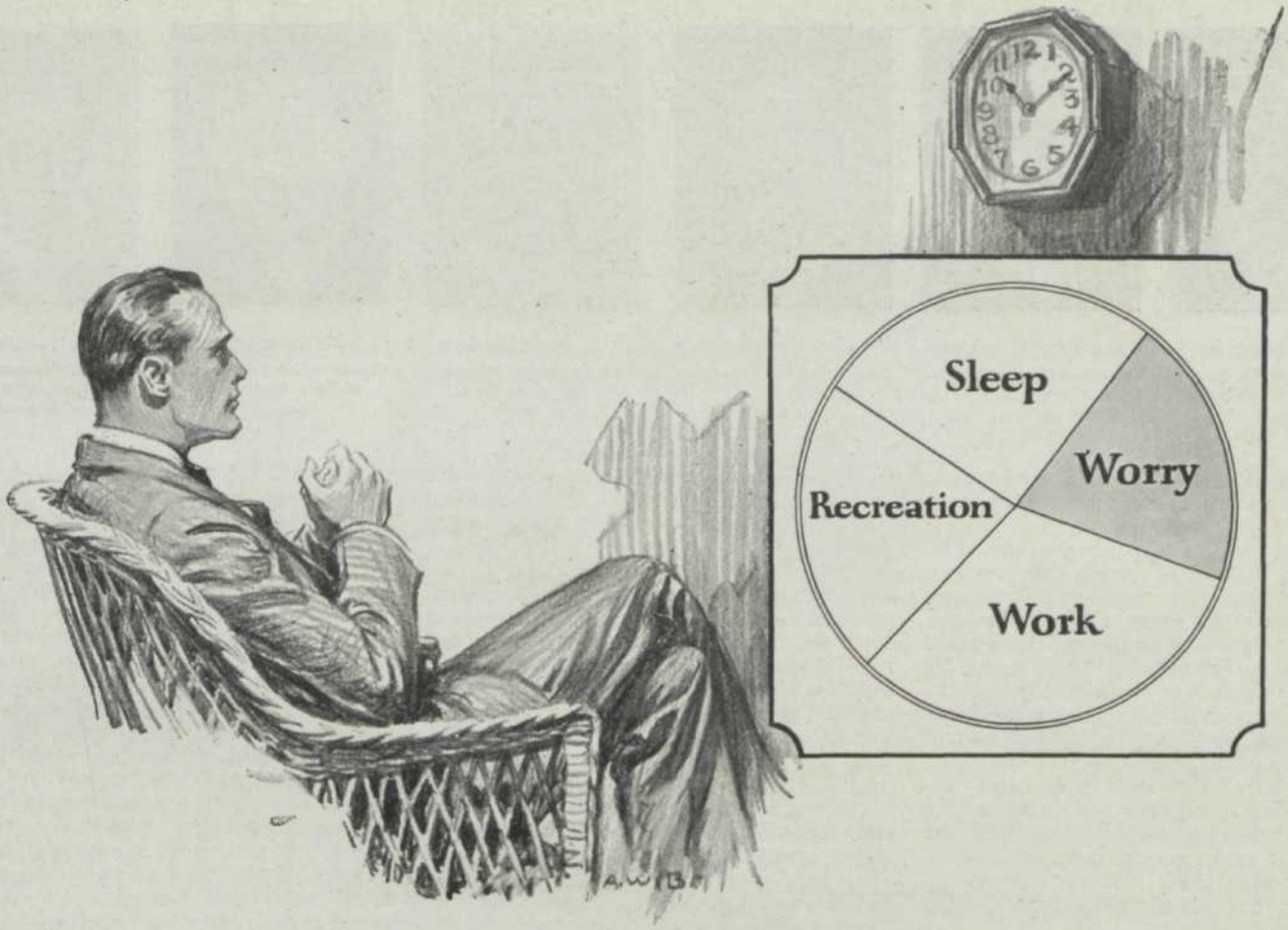
The figure you get, in fact, is only 12.9 tons. You were not so far off when you guessed five tons, after all. But the average distance each of those tons was hauled was 303 miles. Multiply the tons by the miles, and you get 3,902,



JULIUS H. PARMELEE
Director, Bureau of Railway Economics



DWIGHT B. HEARD
President, Dwight B. Heard Investment Co.



How much of *your* day is worry?

EVERY DAY has twenty-four hours. The richest man has no more time, the poorest has no less. And all men must divide their days into three main divisions—Work, Recreation, Sleep.

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Chief, Transportation Division, Department of Commerce

the ton-mileage you, your wife, son, daughter and cook each imposed on the railroads in 1920.

Returning to those 12.9 tons, you should be told that in 1900 the figure was only 7.8 tons. This is interesting. It means that compared with 20 years ago every mother's son and daughter of us is consuming two-thirds again as many bricks, baked beans, brake beams, bicycles, baskets, badges, bananas, bottles, butter dishes, books, blotters, balloons, brass beds, baseball bats, black-jacks, batteries and Buicks, to say nothing of all the useful or amusing things that begin with other letters. Literally it may not be true of certain articles. There may not be 65 per cent more bicycles. It seems certain there are not 65 per cent more bananas. On the other hand, there may be twice as many baked beans.

Average Haul Grows Longer

IF your conscience rests too easily under the news that you are consuming once and two-thirds what you consumed in 1900, you should be reminded that the distance this stuff was hauled for you was 27 per cent farther than your 8 odd tons were hauled in 1900. The average haul was 238 miles in 1900 and 303 in 1920. Red apples from Washington state, grapefruit from Florida, cantaloupe from Colorado, potatoes from Maine—we are drawing more things to ourselves and drawing them farther.

It must be that folks are living more fully, in a material sense at least. Complete statistics might reveal that we are requiring 50 per cent more clothes and 50 per cent more food per person. Think of the things that have been added without taking away anything that was—knickerbockers for men and women, for example, and Eskimo pies for boys and girls.

An old idea, to be sure, and one you've thought of for yourself. You realize the difference between the comforts of today and the accepted discomforts of two centuries ago. But have you really realized the difference between today and twenty years ago? Here you have had figured out for you the fact that the railroads are doing twice as much hauling for you. Suppose you figure out for yourself the percentage of increase there has been in trucking on your behalf. You start with a figure that is pretty close to zero for 1900, but the one you will get for 1920 is a mighty healthy numeral. Consider the hundreds of thousands of motor trucks rolling back and forth between cities and suburbs and outlying towns, the immense pantechnicons (as they call furniture vans in England) picking up whole households in New York and setting them down in Chicago, the little brothers of the railroads doing their jobs in the industrial centers and all the rest of the new motor transport industry. When you decide you have a fair conception of this very substantial and permanent mushroom, add to its tonnage that of the trolley freight services.

When we agreed that you were only consuming two-thirds again as much material products of the soil and the factories as in 1900, we included only those products carried by the railroads. Perhaps, after all, it could be shown that your total is really double what it was in the not-distant days when Theodore Roosevelt was President.

By this time you may be prepared to help forecast the needs of not twenty years—that is too much for safe estimate—but the next ten years, the needs of 1933. The transportation experts would appreciate your help. They have done a lot of figuring, backward and forward, but they are not through yet. They've taken it up in ten-year periods, for instance, to find how much more freight was hauled by the railroads in 1910 than in 1900, how much more in 1911 than in 1901, how much more in 1912 than in 1902, and so on up to the increase of 1922 over 1912 and the estimated increase of 1923 over 1913. The last-named ten-year period will illustrate:

In 1913 the ton-miles were 301.7 billions, while the estimate for 1923 is 424 billions. That means that 123 billion tons are being carried this year in excess of the amount carried in 1913. That is about the average, by the way, of the tenth-year increase since 1905.

Must Prepare for Peak Years

IF the average years offered a safe basis for preparing for future traffic, the above figures might serve the purpose; but most people believe the railroads should be equipped not merely to handle the business of average years, but the business of those years when traffic is exceptionally heavy—peak years, as they are called. By useful coincidence the peak years since 1903 have been ten years apart. Thus 1903 was a peak year and so was 1913. The increase of freight handled in 1913 over that handled in 1903 was 128 billion ton-miles. That of 1916 over 1906 was 150 billions; 1917 over 1907 was 161 billions; 1920 over 1910 was 158 billions; and 1923 over 1913 is expected to be 123 billions. The average here shown is 144 billion ton-miles increase.

So, if you will take this 144 billions of ton-miles and add it to the estimated ton-mileage of 1923, you will have about as good a guess as anybody's as to the ton-mileage that must be carried in 1933. You'll have the large round figure of 568,000,000,000 ton-miles—that number of tons carried one mile or one ton carried that many miles, which would be just as big an undertaking.

You can see at the outset that the increased tonnage will be about 33 per cent, but you won't make the mistake of thinking that means one-third more cars and engines and one-third more miles of track. It isn't as simple as that. It isn't simple at all. The practical railroad men wouldn't pay you very much for your estimate unless you showed them not only the additional rolling stock they will require, divided among the different kinds of cars and engines, but also separated the additional trackage into first main tracks, second main tracks, yard tracks and sidings and classification yards.

Then they would want an estimate of their requirements as to new rail and heavier rail, ties, ballast, fastenings and other track material, to say nothing of storehouses, elevators, wharves, docks, piers, bridges, trestles, culverts, water and fuel stations, shops and engine-houses, including machinery and tools, station and office buildings, including equipment, roadway buildings and certain other odds and ends, such as hotels, restaurants, grade reductions, signals and interlockers, dispatching facilities, river protection and flood prevention.

Range of Needs Increasing

NEWER and more efficient methods, new safety devices ordered by government, state and national—all these are costly. Automatic couplers on all freight cars mean $100 a car. One expert figures that train control devices costing from $500 to $3,000 a mile will have to be installed on 260,000 miles of railway. Legal regulations regarding air brakes cost the Baltimore and Ohio alone $50,000 a month. The railroads are ready to add all needed safety devices, but they all cost money.

One thing that would be interesting to know is what increase in our average appetite for necessities, comforts and luxuries these experts anticipate. It having been shown that in one period of twenty years our individual demands on the railroads have doubled, do they expect that ten years from now we shall each be consuming even more hats, handkerchiefs, hosiery, harness, hand-saws, hand-organs, hoes, harrows, high-chairs, hammers, half-soles and Henrys, to say nothing of all the comestibles that begin with other letters?

And since you yourself, if you keep your health and things don't go wrong, expect to be doing a little better ten years from now than you are doing today, they may be wise to include this in their calculations.

Much of what is said here assumes growth on the part of railroads. But if the railroads do not grow—if they only stand still—they must spend and spend great sums. Various estimates have been made, none less than $500,000,000 a year. Congressman Sydney Anderson's Commission of Agricultural Inquiry hazarded a suggestion that $750,000,000 a year would be needed.



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Cutting Down on Wheat in Kansas

By ELMER T. PETERSON

SEVEN million bushels of wheat in one county!

That is the crop record of which Pawnee County, Kansas, with a population of about 9,000, boasted in the year 1914. The county ran "hog-wild," to use a local expression. The official state report gave the figure at 6,693,785 bushels, which is the world's record for one county, according to the proud boosters of this community.

Almost in the exact center of Pawnee County is its biggest wheat ranch—that of "Ed" Frizell.

Frizell is president of the Southwest Wheat Producers' Association. He is a member of the State Board of Agriculture and a state senator. His home ranch of 2,500 acres is the site of the famous old Fort Larned. He has probably had a longer and more extensive experience with wheat and its problems than any other man in Kansas.

Much Last Year's Wheat Uncut

PRACTICALLY everybody in Kansas who has anything to do with wheat farming knows or has heard about Ed Frizell. In the flush years, when harvest hands have come to Kansas by the thousand, Frizell has always been called upon for the first estimate of the number needed in different localities. He constituted an auxiliary state employment agency, and in June one of the first pieces of news that usually came from the office of the State Board of Agriculture or the state employment division of the Industrial Court, was that Ed Frizell wanted one, two or three thousand hands at Larned for Pawnee County.

In early August I drove with him to his ranch at "The Fort," 6 miles west of Larned. The roads were parched. We passed field after field that had remained uncut, either from the drouth or because hail had driven the wheat down flat. The sun was brassy and the dust lay on the roadside weeds. Triple misfortunes—low price, hail and drouth—seemed to have been the rule in Pawnee.

I could not help thinking back to visits in Pawnee County in 1914 and 1915 and other flush years, especially when the war prices were on.

Then the lure of wheat was like the lure of gold at Chilcoot Pass or that of oil at Beaumont and Tulsa. A dozen automobile agencies sprang up at Larned and did a flourishing business. In some cases one crop would pay for the land. The soil yielded 20 and sometimes 30 or more bushels per acre even when the wheat had been merely disked in on old stubble.

A few weeks' work each year made even the tenant farmers wealthy in some cases. They forgot cows and chickens and gardens and feed crops. The cattle buyers had to go farther west for business. The air was electric with excitement.

Money came easily and went quickly. Broadway, Larned's main street, was always crowded for several blocks with motor cars, usually of the higher-priced makes. At harvest time the streets were as crowded as those of Kansas City. Everybody harvested, even the gamblers and hold-up men that followed transient workers in from the East and took away their wages. The I. W. W. came also. It was a hectic scene, with wages bid up to five and sometimes seven or eight dollars a day "and keep."

There were not many automobiles on the streets when we left Larned this time. On side streets were several lumber wagons hitched to horses—reminders of the old days. Arriving at the first fields of the ranch, we saw the picture of a hailed wheat field. Nothing was standing except sunflowers, the grain prostrate, just as it had fallen a month before, growing dingy and gray in the bleaching sun.

Wheat Still Being Planted

BUT here was a field being prepared, with unfailing optimism, for the next year's crop.

"I lost all my wheat this year by drouth or hail," said Frizell, as we drove in. "Had 1,000 acres of it on the home ranch. But we are going to plant more.

"We are double-disking this field of stubble. This makes it hold whatever rain it gets from now on. Then if conditions are right we can plow it a little later and then drill."

And then came the second great contrast, as we drove closer to the grounds of the home ranch. Long stretches of alfalfa land studded with stacks crowded close to fresh, clean squares of kafir, milo maize and feterita. Far to the south was a green mass lying close to the ground, a field of sugar beets. Closer in was a forty of corn, and still closer were large tracts of vegetables, with a Mexican laborer standing statuesquely, spade in hand, watching an irrigation ditch, and farther on winding in and out is Pawnee Creek, in a convenient bend of which stands a pumping plant throwing 6,000 gallons of water a minute. This irrigates 4 acres per hour to the extent of 4 inches, making it possible to water 1,000 acres of the ranch land, including alfalfa, sugar beets, rowed crops and truck.

"We have been growing sugar beets on the Fort Larned ranch fourteen years," said Frizell. "We have raised as high as 100 acres of beets in a year and have produced from 15 to 20 tons per acre. These beets have been selling at from five to twelve dollars a ton, depending upon the price of sugar.

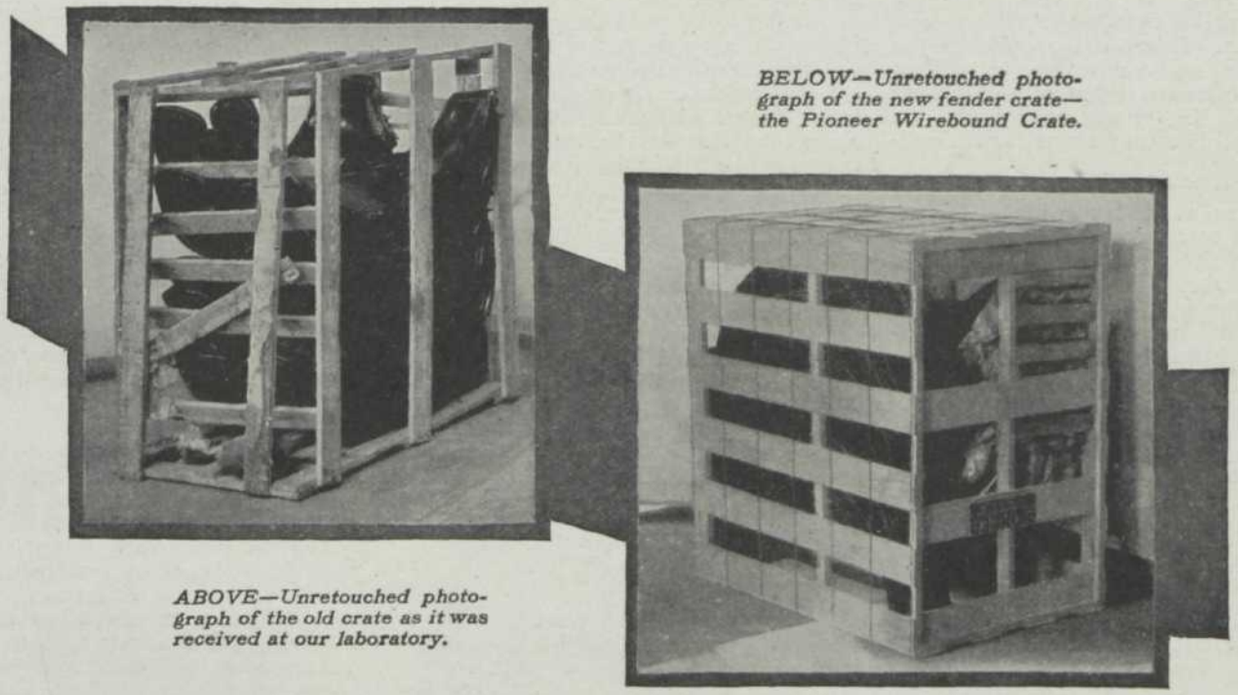
Alfalfa Nets $12 a Ton

"ON THOSE alfalfa fields we raise four heavy crops a season with irrigation, making an average of about 5 tons of hay an acre. At the present price, after paying all transportation and marketing expenses, we receive $12 a ton net for the hay. On the home ranch here we have produced as high as 2,500 tons of alfalfa in a single year. Our kafir and milo yield 40 bushels of seed per acre and we annually put in our silos over 2,000 tons of kafir corn for ensilage. We can grow from 15 to 20 tons of kafir per acre for ensilage. This, together with the hay, makes a very desirable fodder for wintering cattle. We have also raised some sudan grass for hay with excellent results."

The Frizells—father and three sons—are breeders of registered Percheron horses, Red Polled and Galloway cattle and Poland-China hogs. There are 80 work horses on the farm and three tractors are kept in commission. It takes a force of about 25 men to keep the home plant going. The Frizells operate other ranches farther up the creek, with a grand total of 20,000 acres.

This year there were 6,000 acres in wheat on all the ranches, and scarcely an acre was harvested. In a year like 1914 such an acreage would have yielded perhaps 120,000 bushels. The saying that "wheat is a gamble" is no idle joke, viewing such facts as these. If the Frizells had pinned their faith entirely upon wheat they would have been ruined this year. As it is, they will still make money, for they have diversified crops. They have 1,600 cattle on the ranches to transform some of the product into cash. Cattle, horses, hogs, truck, fruit, poultry, hay—all are at work turning the yield of the soil into money.

"Diversification is the secret of success here," said Frizell, "and this great truth



BELOW—Unretouched photograph of the new fender crate—the Pioneer Wirebound Crate.

ABOVE—Unretouched photograph of the old crate as it was received at our laboratory.

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was certainly pounded home with a vengeance in the year 1923. We still raise wheat, but we will never be caught with all our eggs in one basket. Irrigation is supposed to be only for the semi-arid regions of western Kansas and other states west of here, but we find it brings big returns even where the annual rainfall is usually ample for the ordinary crops."

There is the symbolism. Diversification is the fortification of the farmer against the uncertainties of nature and the vagaries of the market.

But how about the small farmer—the tenant, for instance—in this banner wheat country? Take the case of Ernest Daniels, who is hailed by the editor of *Tiller and Toiler,* one of the arned papers, as "the most wonderful man in Pawnee County."

Ten years ago he met with an accident while using a mowing machine and below the hips he is paralyzed. He cannot walk, but he has never lost his courage.

He rented a farm in the sand dunes east of Garfield, with no capital except $1,000 he borrowed on his life insurance policy. Now he is leasing 1,400 acres of which 150 acres are under cultivation, the rest being used for pasture.

He has a clause in his contract which guarantees to him the return of all money spent on improvements, and therefore, unlike many tenant farmers, he has put in time and effort upon the task of improving the place.

Today there are few things on the farm that Ernest Daniels cannot do and does not do. He may be found in the fields, planting or cultivating. He runs a mowing machine. He does carpenter work. He saws wood. He repairs tools. In fact, he does everything except walk. His 150 acres are well cultivated, but there is not a wheat stalk on the place. He raises corn, milo maize, cane, hay and truck. He and Mrs. Daniels keep fifteen milk cows, several hundred chickens and a lot of hogs.

They separate the cream, feed the skim milk to the hogs and ship the cream to various creameries. The income from the cows is from $70 to $80 a month, not counting the dairy products used by the family. They gather five or six dozen eggs a day.

Mrs. Daniels keeps the books, and some of the items for the third year, 1917, are significant: Eggs, $258; cattle, $225; butter, $369.38; hay, $426; hogs, $550; miscellaneous, garden, etc., $240; pasture, $800; grain sold, $311; watermelons, $22; pumpkins, $20.35. That year the Kansas wheat crop was very short, being only 41,479,464 bushels as against 180,375,042 bushels in 1914. The Pawnee County crop in 1917 was only 204,504 bushels as against 6,693,125 in 1914—less than one-thirtieth of the bonanza crop. This shows that a failure in wheat does not necessarily mean a failure in other things.

Take, too, the case of Charles Windmill, who lives south of Larned. He leaves wheat strictly alone and centers his attention upon cream, eggs and diversification. Last year while many of his neighbors were grumbling he built an $8,000 house on his farm and had plenty of cash left over.

Pawnee County is gradually but surely turning toward dairying. There has just been completed in Larned a large powdered-milk plant. The business men are giving active encouragement by financial assistance to the establishment of blooded dairy herds and new milk routes are being laid out. Several carloads of Holstein cows have been brought in and are giving local farmers an opportunity to see the possibilities of high-bred milk production.

In order to illustrate the plight of the exclusive wheat tenant farmer the case of Jim Kershner is given. His case is typical of many.

Kershner is an intelligent, hard-working tenant farmer who rents 450 acres. Every summer in recent years he has harvested something like 4,000 bushels of wheat, of which one-third goes to the landlord. There are hundreds of tenant farmers in Pawnee and tenantry is growing rapidly all over the state.

Kershner used a pencil with this result:

If he should raise 4,000 bushels of wheat this year, after giving the landlord his share he would have 2,667 bushels. At 70 cents a bushel he would have $1,866.90 in cash. Expense of raising the crop would be $2,160.

The seed cost him $330, the listing $330, the ridge busting $330, the harrowing and drilling, $300, harvest hands



Corn is king in Kansas

for eleven days at $40 per day, $440; threshing at 10 cents a bushel, $400. Nothing for depreciation, horse feed and innumerable items of expense, and still a loss on the crop. The wheat this year looked good. He must make allowance on top of this for an occasional failure or a short crop.

Those were figures with an "if." As a fact, Kershner never harvested that crop. Immediately after his conversation with Mr. Wallace a hailstorm wiped it off, and he was better off than if he had gone through with the harvest, for he had the wheat insured.

Jim Kershner figured conservatively in estimating the cost of raising a bushel of wheat, in comparison with some of the other farm statisticians. The Kansas farmer near Hutchinson, upon whose field President Harding guided a tractor and binder early in July, told the Chief Executive that the cost of raising a bushel of wheat was much larger than the same bushel brought on the market. Some put it as high as $1.50 a bushel.

And so, throughout the wheat belt during the summer this year, there was renewed the talk of asking the Government to set a price on wheat based upon the cost of production. Statisticians figured that price should be $1.75. But there was a sober second thought.

On July 16 the wheat growers of the southwest country were invited to meet at Wichita. At this meeting the Southwest Wheat Producers' Association was formed and Mr. Frizell was elected president. Among those who participated were Gray Silver, head of the American Farm Bureau Federation; John Whitehurst, president of the Oklahoma State Board of Agriculture; J. C. Mohler, secretary of the Kansas State Board of Agriculture; George W. Bishop, head of the Oklahoma Farm Bureau; Dr. Henry J. Waters, editor of the Kansas City *Weekly Star;* H. S. Thompson, member of the Kansas State Board of Agriculture; Glen Briggs, agronomist of the Oklahoma A. & M. College; John Fields, editor of the *Oklahoma Farmer;* Carl Williams, editor of the Oklahoma *Farmer-Stockman* and member of the international market survey committee; Grosvenor Dawe, of the Wheat Council of the United States; H. M. Bainer, secretary of the Southwestern Wheat Improvement Association; Charles W. Lane, assistant manager of the agricultural department of the Santa Fe Railroad.

This conference flatly turned down a proposal favoring legislation fixing wheat prices and instead urged a restriction of wheat acreage with substitution of other crops.

And then, about the middle of August, as if to outdo the Wheat Producers' Association, the directors of the Kansas Wheat Growers' Association, all of them actual farmers, met in Wichita and unanimously passed resolutions which fairly spit fire at the price-fixing propagandists. Following are a few choice sentences:

> The principle is not workable as a peace-time expedient. If the Government should, by the purchase of all surplus wheat at an arbitrary price, guarantee the price of wheat, the potato growers of Colorado, the corn growers of Iowa, the cotton growers of the South, the sugar beet growers of Montana, the Standard Oil Company, the shoe manufacturers and many other producing interests would justly demand protection in the same manner, resulting in an impossible endless chain of economic folly which would eventually hurt the wheat farmer more than he was helped.
>
> This association does not consider legislation necessary at this time. What is needed is more orderly and economical marketing. If the price-fixing principle is correct, there will be no need of cooperative marketing, and if it obtains a foothold in governmental policy, it will attack the very foundation of cooperative marketing which has been proven practicable and economically sound throughout the world, and will finally destroy its entire fabric that has been laboriously erected in this country during a period of not less than half a century.

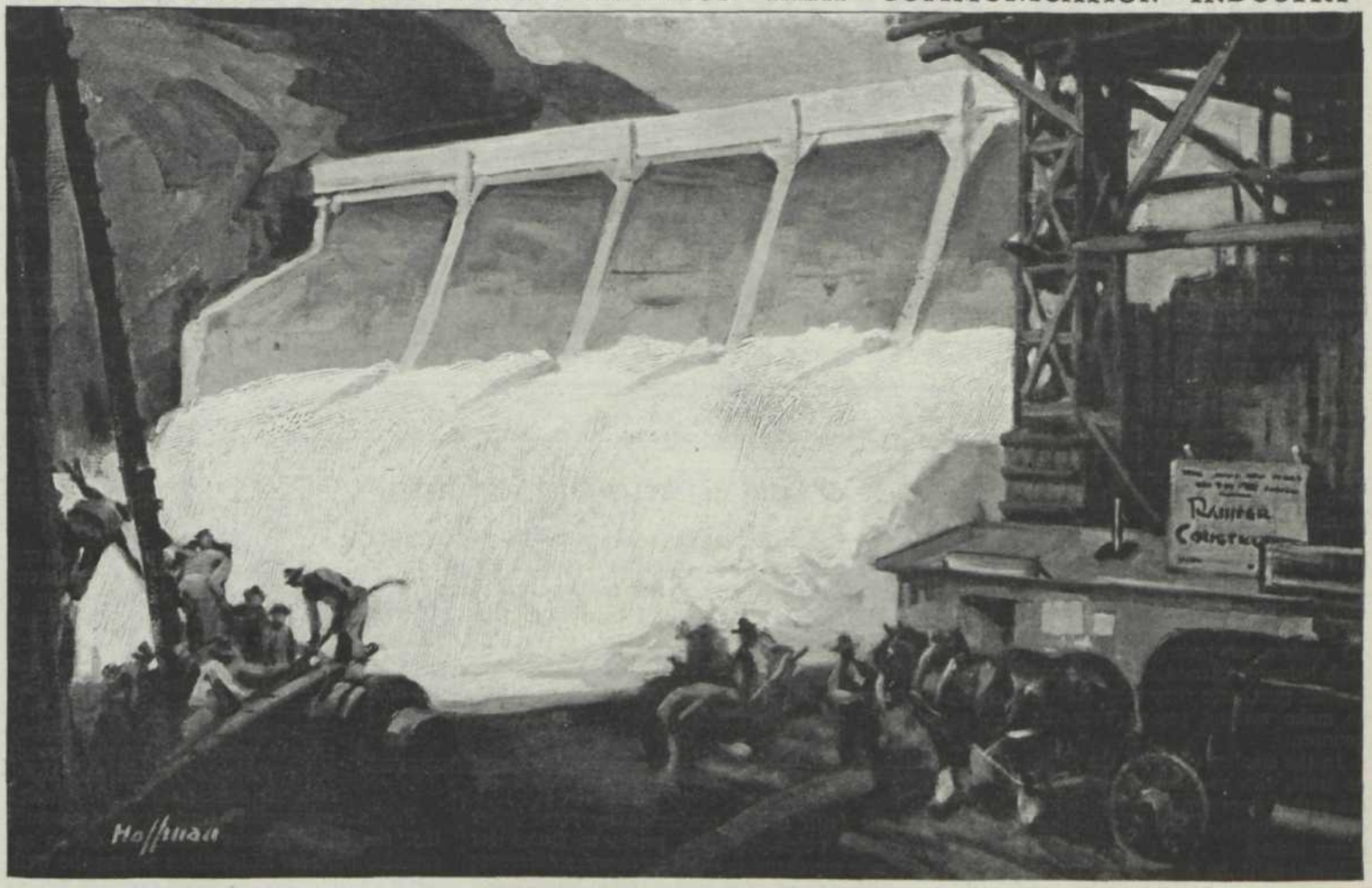
Ed Frizell sees the broader meaning of the present wheat crisis. Like the others, he rejects the price-fixing scheme.

"We are in competition with a growing foreign market," he said, as we drove along the dusty road. "Argentina and Russia and India are going to throw cheap wheat on the market in the days to come. We wheat farmers have got to recognize this fact. We have got to look around for other money.

And so it can be seen that Ed Frizell and his neighbors represent the general sentiment of the great winter wheat area in agreeing that the farmer cannot lift himself by his economic bootstraps, but must work out his own salvation by orderly and economical cooperative marketing, by self-reliance, by diversification and by making the farm an all-year plant instead of a specialty factory which is in full blast operation only four or five weeks out of the fifty-two.

Pawnee is potentially richer even than it was in 1914, for its citizens have been getting some new kinks in the matter of profits.

MANUFACTURING · LIGHT · TRANSPORTATION · HEAT · COMMUNICATION · INDUSTRY



POWER

BEHIND the lines of battle for industrial mastery the cry has arisen for *Power.*

Governments are rushing hydro-electric developments. Nations are reaching out for more turbines, more dynamos, more transmission lines.

For victory is decreed to the nation, the region or the city best able to give its industries *power* —cheap and abundant power.

With these facts in mind, let us turn our eyes to a corner of our country where within the borders of five beautiful states is concentrated *half of all the vast potential water power of the United States*—the Pacific Northwest.

* * *

Washington, with 8,647,000 horsepower, leads all the states. Oregon, with 6,613,000, ranks third. Idaho, with 5,067,000, is fourth. Montana, with 4,331,000, is fifth. Wyoming has 1,305,000.

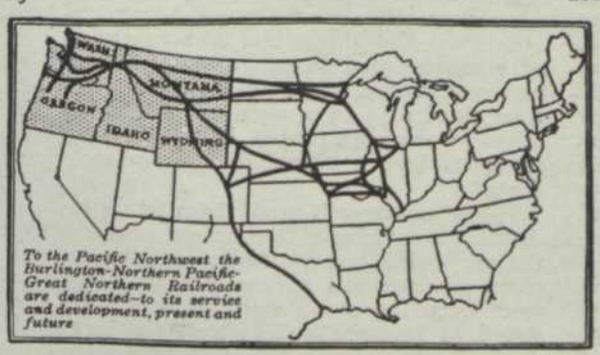
The Pacific Northwest has already developed 1,200,000 of its 26,000,000 potential horsepower; one-seventh of the total for the United States, or approximately as much as the six New England states combined. And the harnessing of the "white horses" is progressing on a scale both rapid and gigantic.

One great project will produce the colossal total of 550,000 horsepower — more than double the amount of American power now developed at Niagara Falls.

And with this tremendous advantage now achieved: the lowest rates for electrical energy to be found anywhere in the United States!

* * *

Here, indeed, is surety of the Pacific Northwest's future industrial greatness! Yet, what does this picture of gigantic enterprise and immense reserve of natural resources signify to the average man?



To the Pacific Northwest the Burlington-Northern Pacific-Great Northern Railroads are dedicated—to its service and development, present and future

Merely this: Hydro-electric supremacy is but one of the *many* things that have combined to make of this a land of rapid growth, and hence large opportunities; of deep-rooted development, and hence *lasting* prosperity; of broader, better living for men in *every* walk of life.

Boundless natural wealth; millions of the nation's most fertile acres; great ports looking out upon a trade area almost without limits; a wonderful variety and diversity of climatic conditions—these also make the Pacific Northwest in very truth the American Wonderland, a glorious place in which to live and prosper and succeed!

Write for interesting booklet, "Power for Supremacy"

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.

The PACIFIC NORTHWEST

The Chicago Burlington & Quincy R.R.
The Northern Pacific Ry.
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The Land of Opportunity

Burlington Route — Northern Pacific

When writing to the above railroads please mention the Nation's Business

Charge Convenience Urged on Us

A Customer's View

By F. G. MACOMBER

IN EVERY analysis of the spread between the producer and the consumer and a discussion of the factors that enter in, the retailer as a rule settles upon the various factors that are often described as "service," which include charge accounts, deliveries, telephone ordering and exchanges, and insists that here is one of the sore spots in the entire system, which, once removed, or very materially restricted, a considerable part of the "spread," at least in so far as the retail merchant is concerned, will at once be removed.

It is a matter of considerable curiosity to the average person if, after all, this so-called service is a matter of demand on the part of the public in the first instance, or whether it is not more or less forced on the public by the retailer.

In New York City I can think of but one large department store that not only refuses charge accounts, but makes a distinct effort to cater to the cash trade through its system of paying interest on cash balances carried by customers against purchases they may choose to make without paying over the counter.

In the smaller cities of the East, at least, the so-called department store that does not actively solicit charge accounts, much less decline them, is a rarity indeed.

Whether it be a store policy or not it is an indisputable fact that in the smaller cities where salespeople easily learn to know customers, the customer who pays cash is made to feel at a disadvantage with the charge customer. Whether it be a fact or merely the somewhat hectic imagination of women, it is possible to produce scores of women and men in every city in New England, at least, who will answer that a customer in the average store, not enjoying a charge account, is at a distinct disadvantage as to promptness of service, courtesy from salespeople and opportunity for obtaining information ahead of time as to new goods and special bargain offerings.

In one city in New England there is just one policy that obtains in every large establishment in that city that would seem to prove that the expensive element of charge accounts is being pushed on the public more than the public is demanding it. In this city the charge customer may purchase anything in any department at any price that comes within the limit of his or her charge privilege, keep it a day or two, telephone for a delivery wagon to call for it and have it credited on his or her account as returned, without a murmur of protest.

On the other hand the cash customer will be compelled to bring the article to the store, present it at a so-called "exchange desk," go through an exasperating cross-examination and then be offered and almost forced to accept a credit slip.

Stepping from the field of the department store to that of the purveyors of food, a somewhat extensive and intimate knowledge of what was being done throughout New England at the top of our "war period" when the conservation of man-power was in everyone's mind, showed that the average discount offered by grocers and marketmen ordinarily doing a charge business, to the "cash and carry" customer was 5 per cent with 10 per cent as the maximum. If this means that the merchants offering the discount feel that telephone orders, charge accounts, collecting, bad accounts and extensive and overlapping delivery service only cost them 10 per cent, their faith is not confirmed by some other figures which say that prices in stores for staple merchandise show an average difference of 20 per cent compared with the prices asked by a typical chain store.

In one state of New England a firm conducting a chain of gasoline filling stations solicits charge accounts and the "fortunate" possessor of a charge authorization card of this firm has his gasoline charged to him at one cent a gallon less than the cash customer is asked to pay, though, in justice to this firm, it must be said that a "properly introduced" motorist may obtain from the firm a so-called "discount card," which, when presented, enables him to buy for cash at the one-cent-per-gallon-less price. But why pay cash when you can buy as cheaply and have a month to pay?

In one New England city a majority of the department stores regularly mail to all customers on their charge lists advance notices of especially good bargain offerings and of new merchandise, giving to these customers from three days to a week to avail themselves of the opportunities before the cash customers have a chance to know what is doing.

To the consumer it would seem that merchants are catering to the charge customer and not to the cash customer; that the so-called privileges and conveniences are either urged upon the charge customer or are reserved to him, the policies governing "exchanges" being a particularly striking example in most stores.

The attitude of the average store salesperson on the delivery question is interesting. Recently two people, one with a charge account in practically all the shops in that city, and a stranger to the city prepared a list of articles to be purchased, while it was agreed each would buy and each would endeavor to be served by the same salesperson and note results. It was agreed that they should alternate in making the first approach. This is the result of fifteen contacts:

In every instance the salesperson asked the charge customer, "May we send this?" or "You want this delivered?" or the equivalent.

In only one case was delivery service tendered the cash customer.

In eight instances the charge customer was the second to approach the counter at which the cash customer was being served, and in six cases the clerk immediately left the cash customer, and in five cases the cash customer had to be somewhat insistent to obtain sufficient attention to complete the transaction.

In the seven cases where the charge customer made the first contact, the cash customer, approaching, was allowed to stand waiting, without approach until the transaction was completed.

It is probable that in each case the proprietors would disavow these incidents as illustrating or proving a store policy; they would probably assert that it was entirely individual to the salespeople. Yet it is a fair matter of surmise why merchants allow this condition to exist when they have found it possible to remedy and control so many other personal factors and shortcomings among their sales forces.

For a considerable time it was assumed that the chain grocery could not do an acceptable business in locations among the well-to-do classes, because these were the people who demanded charge accounts, frequent deliveries and did most of their buying over the telephone. There are a good many busy chain groceries today whose clientele is composed almost entirely of this very class. It would seem a fair and reasonable assumption that when a chain store, offering no concessions other than price, can operate successfully among stores offering all the so-called conveniences and still sell substantially the same goods, then the so-called conveniences are something offered in competition, rather than something demanded.

If Jones offers a "Red Wing" straw hat for $2, Smith offers a "Red Wing" for $2 but includes initialing, and Richards offers the "Red Wing" for $2, initials band, gives two free cleanings a year and throws in a good cigar, then a major portion of the public knowing all three offers, will buy their "Red Wings" at the Richards store. Yet can it be argued that the buying public demanded these things, because it took advantage of them?

Despite the fact that retail merchants will inveigh against the evils of the charge account, it is likely that in a majority of cases, at least in my part of the country, they not only solicit this type of trade, make it far more advantageous to be a charge customer than a cash buyer but even broadly step outside the ordinary channels of a charge business and offer "datings" to bring trade.

In many stores doing a charge business it is not unusual to find a regular rule obtaining, well known to customers and often openly advertised in the newspapers, of charging all purchases made in the last five days of the month on the following month's bill. Is it any wonder that the cash buyer, knowing that these privileges all obtain at no increase of cost to him, should seek the benefit.

DO YOU want a charge account or does the merchant force one on you?

Last July A. Lincoln Filene said in "The Nation's Business":

"From the men and women who patronize the retailer there must come a real and genuine demand to get along without the conveniences they are today demanding."

But, says this writer, we aren't demanding. Conveniences are thrust on us in the competition for trade. "A cash customer is not so well served as a charge customer. The seller begs to be allowed to deliver." The other side, and an interesting one.—The Editor.

For Industries a New Pacific Northwest City

LONGVIEW

Washington

The City Practical that Vision Built

THE LONG-BELL LUMBER COMPANY selected as the most efficient site for its greatest lumber mills a peninsula at the junction of the Cowlitz and Columbia Rivers, halfway between Portland and the Pacific Ocean. To provide adequately for its own needs, a large tract of land, topographically suited for development of all kinds, was purchased.

Out of this transaction has grown the new city of Longview, Washington, in many ways a city without parallel in the history of municipalities.

The same tests by which this large lumber concern decided upon Longview for the future home of its greatest plant expenditure can be applied by any other industry seeking a location in that fastest growing section of America—the Pacific Northwest.

Longview offers these essentials to industry:

- —Raw materials.
- —Labor.
- —Fuel and power.
- —Accessible markets—domestic and foreign.
- —Transportation—by river, by sea, by rail and by highway.
- —Healthful conditions and a modern community.
- —A prosperous trade territory.

The Long-Bell operations alone, when complete, should create for Longview a population between 15,000 and 20,000.

Few cities in America can offer a more strategic location in relation to rail, water and highway transportation, in relation to surrounding resources, in territory to be served.





Where Rail and Water Meet

Longview is fifty miles from the Pacific Ocean on the Columbia River with its ocean-going commerce to all leading ports of the world. Three trans-continental railways—the Northern Pacific, the Union Pacific and the Great Northern—using a double track line between Portland and Seattle—are at Longview's door The Longview, Portland and Northern has Longview for its southern terminal and taps the rich Cowlitz River valley to the northward. Two internationally famous paved highways—the Columbia River Highway and the Pacific Highway—serve Longview, the former connecting Portland and the east with the Pacific Ocean, and the latter, via Seattle and Portland, connecting Canada with Southern California and Mexico. A third highway, designated as the Ocean Beach Highway, when completed, will connect Longview directly with the Pacific Ocean.

Write today for carefully prepared and profusely illustrated literature on Longview and what it offers as a city in which to live well and conduct a legitimate business, large or small.

THE LONGVIEW COMPANY, Longview, Washington



THE LONGVIEW COMPANY,
Longview, Washington. Dept. 12

Gentlemen:

Please send me literature concerning the new city of Longview. I am particularly interested in its opportunities for:

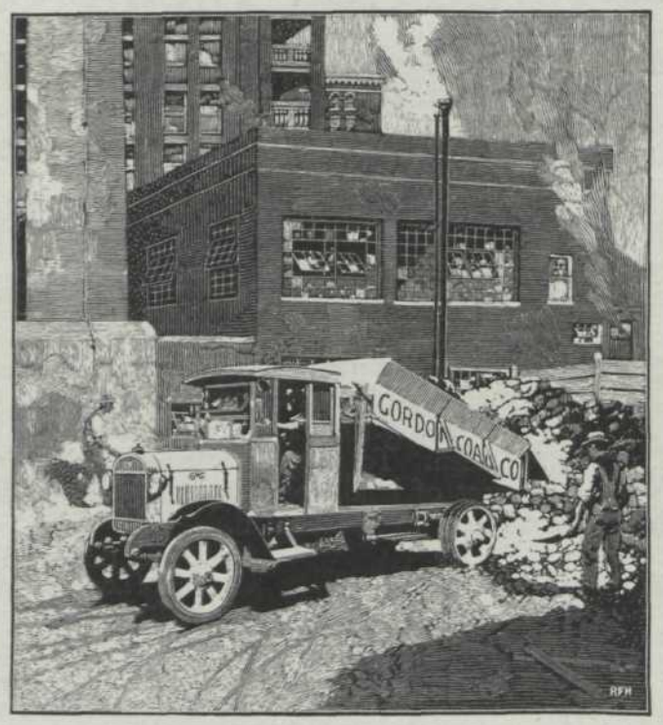
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[] Manufacturing [] Mercantile
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Name _____

Address _____

Please use the coupon in sending for literature.



"GMC TRUCKS ARE SEVEN STEPS AHEAD"

Haulers' Testimony Sets Value

These typical experiences of GMC users with the now famous GMC Two-Range Transmission give the final word of approval to this extraordinary advance in motor truck design. Representative of the opinion of thousands of haulers, they tell in terms of actual accomplishment how more road speed and greater pulling power, in the same truck, enable GMC trucks to go places and do work not otherwise possible.

We have used GMC 2-ton motor trucks continuously since 1915. These trucks have been used largely for long distance hauling. In November, 1922 we put into service a K-41 model, 2-ton capacity, and after six months of service with this truck we believe that this truck is the best motor truck ever built. We could give you many instances of hard pulling negotiated with this truck that we know would be physically impossible in any motor truck with only a 4-speed transmission. On a straight-away we are able to travel at 18 miles an hour without vibration or racing the engine and on solid tires.

—W. M. HAGEMAN,
Shelby, Ohio.

We were hauling cement with our Model K-41, two-ton GMC to the school house at Martinsburg, Indiana, located on the top of a hill, and is mighty mean to get to with a heavy load, for the grade is very steep and the road makes a sharp turn.

A——2½-ton truck pulling the same load as the GMC quit and could not make the grade. After taking off about one-third of the load it could not do much better. They took off nearly half the original load before it could climb that hill.

As for my GMC, it went right along. My driver put it in low-low, and believe me, it simply walked up that steep grade as steady as though it were pulling on the level.

—C. E. BIERLEY & SON,
Pekin, Ind.

The wonderful performance of our fleet—the GMC trucks—which consists of one two-ton truck, two three and a half-ton trucks, and three five ton trucks—urges me to express my pleasure in having them part of our equipment. I may state that the operating cost is amazingly low. The two-range transmission, removable cylinder walls and the accessibility for readjustment and displacement are features, to my mind, which go to make truck construction as near 100% as is possible.

I have found the GMC to be all it is represented to be and answers our purpose thoroughly. We have had absolutely uninterrupted service, which, you will agree with me, is a broad statement to make.

—CRANE ICE CREAM CO.,
Philadelphia, Pa.

GENERAL MOTORS TRUCK COMPANY—*Pontiac, Mich.*
Division of General Motors Corporation
In the Dominion of Canada
General Motors Truck Company of Canada, Limited, Oshawa, Ontario
GMC Truck Chassis list at the factory as follows: 1-Ton, $1295; 2-Ton, $2375; 3½-Ton, $3600; 5-Ton, $3950. Tax to be added.

General Motors Trucks

GMC



Teaching the New Ways to Handle Men

By FRED. H. RINDGE, JR.

"IF EVERY industrial leader were like that fellow Johnson, there would be no social unrest in America." Thus exclaimed an employer of labor, as he indicated a keen young man—his competitor in business. That same afternoon we were talking with some of the workmen in Johnson's plant. "You bet he's all to the good," they said. "We never worked for a squarer man in our lives!"

Even the labor union officials admitted, "Johnson is O. K. He does not always agree with us or grant our demands, but he's always *fair*. He understands the worker's point of view. He's democratic—a leader, not a driver." Everyone in town felt the same way about Johnson. It was taken for granted that he would encourage all good movements and would stand firm against corrupt politics, vice and injustice. A tribute to his democracy was expressed by a mechanic in the words, "He's so damned *human!*"

Then we visited Johnson. He was not difficult to approach, and greeted us cordially. He at once gave the impression of absolute frankness and integrity. He radiated good-will and inspired confidence. Three assistants and a superintendent interrupted him with pressing business which he dispatched with ease and efficiency.

He invited us to remain while a committee of workmen came to make a request. His eager attention and tactful questioning made the men feel he was their friend. There was no camouflage about it. He explained certain conditions with which they were unfamiliar, readily admitted that the men were partly right, but also showed them where they were wrong. They went out perfectly satisfied to show their fellow-workmen that part of their demand had been unreasonable.

"Our shop committee of workmen decides most of these questions," Johnson explained, "but the boys often come to me to talk things over. They know I'm interested."

"How did you first become interested?" we inquired.

"Well, it all started back there at college ten years ago," he replied. "Fortunately we had two engineering professors who impressed us with the big idea that our success depended on humanics as well as mechanics. They talked to us frequently about human relations industry and similar themes.

"In my junior year I realized that there was a vast field of industry about which I knew nothing. I resolved to learn as much as possible about the human side of my profession. I read considerable along this line, studied the industrial betterment work of many companies, secured a job in overalls in the summer months and began to understand working men better.

"In my senior year I taught a class of foreigners in a boarding house. They learned some English, and I can never repay those Italians for what they taught me. I came to know them intimately, learned about the conditions of their work, home, and leisure life, appreciated their point of view and learned how to handle men. It was an experience I have never forgotten, and to this day I know of few things I would rather do than organize some Americanization work."

"And do you trust all these foreigners in your plant?" we asked.

"Of course I do," he answered, "until they prove unworthy. I learned ten years ago in that English class that when I treated men as men, they responded far beyond my expectations. They were suspicious at first, but when they learned I was their friend they would do anything for me. Human nature is much the same, regardless of color, class or nationality. Most people mean to be decent and fair if you treat them justly. Confidence begets confidence. Some people call me a foolish optimist. I admit that I am an optimist—but not that I'm foolish," he added, laughing.

"If I had my way, every college student in America would go through a human engineering experience like mine. It would save them many a costly experience when they get out on the job. Look at the college men in my plant. Some of them know it all, have only one point of view, and are despised by the workmen. These won't last so long as others who don't advertise their college training They are willing to learn from all kinds of people. They are the ones who make good. Talk with these fellows and you find, invariably, that before they graduated they had experiences similar to mine. What the industrial world needs today is college men and others who can appreciate the point of view of both capital and labor and will furnish the right kind of leadership, cost what it may."

Then I knew why my employer friend had said, "If every industrial leader were like Johnson, there would be no social unrest." If they were all like him, most of the causes of bolshevism would be removed. Much of the industrial and political leadership of our nation is coming from the universities. In spite of the fact that less than 1 per cent of American men are college graduates, this 1 per cent has furnished:

55 per cent of our Presidents.
36 per cent of our Members of Congress.
47 per cent of the Speakers of the House.
54 per cent of the Vice-Presidents.
62 per cent of the Secretaries of State.
50 per cent of the Secretaries of the Treasury.
67 per cent of the Attorneys-General.
69 per cent of the Justices of the Supreme Court.

An increasingly large proportion of our superintendents, engineers, welfare and employment experts, general managers and employers are graduates of our engineering and business colleges.

To what extent are these colleges teaching the human side of industry and to what extent are they turning out Johnsons? This is a question to which industry—employer and employe alike—demands an immediate answer.

For many years our colleges were criminally neglectful along these lines. In the last decade there has been a new awakening. And now it begins to look as if Johnson's ideal that "every college student in America should go through a human engineering experience" might yet be realized.

For fifteen years a movement has been quietly, but effectively, making such splendid



Industrial baseball

progress in this direction that a great industrial leader recently characterized it as "the most strategic movement in industry." This Industrial Service movement at first fairly plowed its way into the engineering schools. Now it is received with unfeigned enthusiasm. Students are generally excused from all classes to assemble for a lecture on "The Human Side of Engineering." A speaker is cordially invited to address various classes and the professors give up an hour to a frank discussion of their responsibility in relation to the human side of industry.

Fifteen years ago "human engineering" was introduced into a few universities. Today the term is a by-word in college and industry. Fifteen years ago a few professors and student pioneers like Johnson began to make experiments in industrial service. Today the movement has passed from the period of experimentation to one of accomplishment. Thousands of professors, students and graduates are making every effort to advance the program and ideals for which the movement stands, and the end has not yet come.

And what is the program? Briefly, this: First, a course in the curriculum of every engineering school on "Human Relations in Industry," or "The Human Side of Engineering," or its equivalent.

Second, every professor to include in his course, whatever the subject, more instruction in the human side.

Third, special lectures by employers, engineers, labor leaders and social workers on such subjects as "Human Relations," "Industrial Betterment," "The Right Handling of Men," "Industrial Democracy," "The College Man and Industrial Problems," etc.

Fourth, weekly discussion groups of interested students, under expert leadership.

Fifth, special study of the human side of engineering, inspection trips to selected industrial operations and communities.

Sixth, human engineering bulletin boards and libraries, containing the latest pamphlets, exhibits, photographs, magazine articles, etc., along these lines.

Seventh, comprehensive articles in college papers and periodicals.

Eighth, a Congress of Human Engineering for which students are excused from classes for two or three days. The conditions and problems in the industrial world are presented by a series of addresses, delivered by men representing different points of view. Special exhibits, motion pictures, literature, etc., help make this an unforgettable event in the student generation.

Ninth, a vigorous promotion of practical service with industrial workers in the college town and wherever the student may find opportunity during the summer. Such service includes teaching English and citizenship to foreigners, leading discussion groups in technical subjects for American working men, handling clubs of working boys and many other educational, social, recreative, economic and character-building activities with the types of men and boys with whom college men will deal after graduation.

Tenth, the following up of interested graduates, encouraging and assisting them in their larger efforts for social and industrial betterment wherever they go.

This is indeed a comprehensive program, yet some colleges are attempting all of it and many others are carrying on a number of the activities enumerated. Surely there would be more Johnsons in America tomorrow if a larger number of colleges would adopt such a program today. It succeeds far beyond one's expectations. Consider, for example, the most difficult phase of the program, the practical service. It is not uncommon for fifty to one hundred students in a single day to volunteer for one or two evenings per week in service with groups of industrial men or boys. These students teach foreigners in the shops, box cars, boarding houses, former saloons, stores, pool rooms, clubs, settlements—wherever they feel most at home. And the teachers soon learn to feel at home there, too. One leader said, "I am welcome at any time in several of these Italian homes, and I have even learned to eat miles of spaghetti like an expert."

One day two students observed a gang of Greeks on a flat car passing the railroad station. They ran after the car, caught it, sought the boss and discovered that the men comprised a section gang who lived in box cars a mile down the track. They arranged with the boss and some of the men to start a "box car university." That same night the whole gang attended "school," the lesson was a huge success, and this novel class has been running two evenings each week ever since. One or a dozen nationalities may be taught at the same time without speaking their language or using interpreters, by dramatizing sentences dealing with every-day experiences.

In this work the college man learns the difference between nationalities. As one man expressed it, "I discovered the great truth that all wops are not wops." He learned the difference between the northern and southern Italian, and between Italian and Finn. He possibly learned that the illiteracy of the southern Italians is approximately 54 per cent, that of the Portuguese 68 per cent, while that of the Bohemian is only 1.7 per cent and that of the Finn 1.4 per cent.

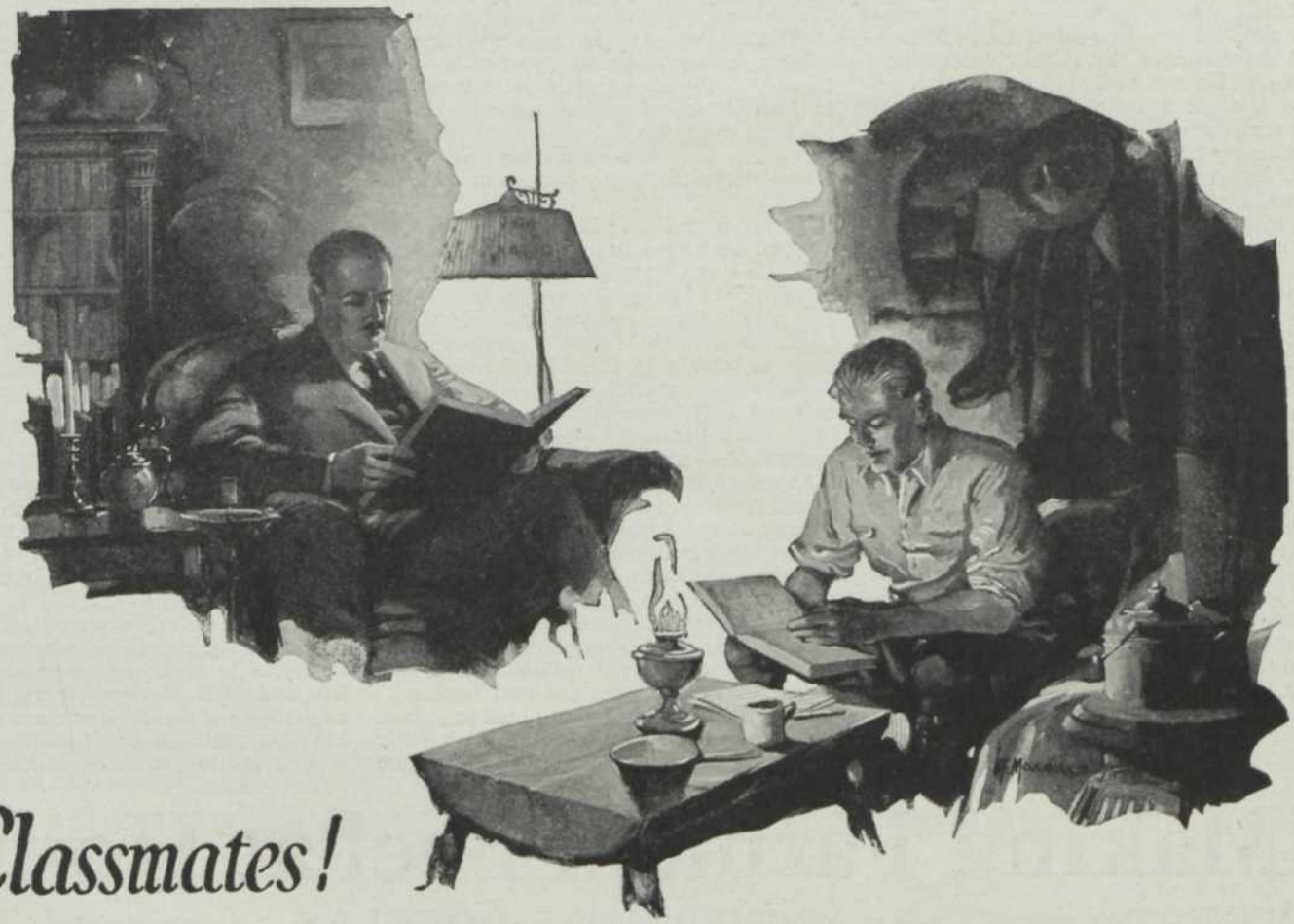
On his engineering job a few years hence he will, therefore, have sense enough to handle these nationalities differently, yet will be inclined to treat them all as his fellow-men. He will know that, with such treatment, foreign employes are not nearly so "criminal" as often supposed. In fact, one man doubted the reliability of a report that the criminality of the Syrian population in his town "had increased 300 per cent in the past year." On investigation he discovered that the Syrian population really consisted of one Syrian, who, through ignorance of our laws, had been arrested three times.

The student also learns from contact with foreign families that the son of the alien is often twice as criminal as his father. And he realizes the imperative need of giving foreign children a complete schooling, right leadership and the best possible contact with American institutions and ideals. There will be no child labor in that college man's factory.

One Sunday we visited a socialist Bible class led by a university track captain. They



Workers receiving instruction in first-aid class



Classmates!

IN a rough log cabin in the mountains of North Carolina, a sun-tanned surveyor's helper will sit down by a friendly lamp to-night, and wring from the hours after dark the special training that will lift him above the level of his fellows and make his dream of success come true.

Denied the benefits of an education in his youth or indifferent to the opportunities offered—forced to go to work to help support the family—struggling under the handicap of his environment, he has somehow retained that precious spark of ambition and that divine discontent that make men want to do bigger and better things.

So he studies on, each night coming a little nearer the cherished goal—each day putting into practice the lessons of the night before. Success cannot long evade such a man!

In a richly furnished room in a large home on the North Shore in Chicago, an honor graduate of one of the leading universities, finding the need of specialized training to help him in his work, will sit down to-night and study, even as that surveyor's helper in North Carolina, to make his dream of success come true.

He has education, wealth, social position, business prestige—everything that the other man lacks. Yet he turns to the same school for help—knowing that nowhere else can he get the special knowledge he needs so quickly, and in such definite, practical form.

Between seven and twelve o'clock to-night, 180,000 men and women will shut themselves off from the world for just a little while and dedicate an hour or two to self-improvement.

They will be men like that college graduate, and that surveyor's helper. They will be young men of 18 and 20, and older men of 40 and 45. They will be single men—married men—men in moderate circumstances—men of considerable wealth.

They will be men like you—they will be men like your father or your son.

But whoever they are or wherever they are—whatever their age, their race, their creed, their circumstances, they will be classmates in this world-wide *"University of the Night."*

For they will study from the textbooks of the International Correspondence Schools—textbooks that have been 32 years in the making and that have been specially created and written for the needs of the student who studies at home.

These textbooks are simple, practical and complete. They take nothing for granted. They begin at the beginning and carry the student forward by easy, logical steps. They foresee and meet his difficulties by full explanations, demonstrations and illustrations. Any bit of text that admits of slightest doubt is accompanied by a picture. All abstract theories have been eliminated, for these textbooks are written for men and women who need information that can be put to immediate use.

The text for every one of the courses—whether it be on electrical engineering, or advertising, or plumbing, or drafting, or salesmanship, or any of the 300 other subjects in the curriculum of the International Correspondence Schools, is written by authorities in that field, and is edited, arranged and simplified by the faculty of the Schools—men who know not only the subject treated, but are qualified by years of experience to know just how to present it so that students in all walks of life may read and understand.

More than two and a half million dollars have been spent in the preparation of I. C. S. textbooks and more than one hundred thousand dollars are spent yearly in revisions to include the latest developments in every field and in the preparation of texts on new subjects to meet the needs of business and industry.

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were all American workingmen, and though socialists, were actually listening to someone else talk. The leader's subject was "Moses—and the Strike of the Hebrew Brickmakers' Union." He was holding his crowd. A few days later in a factory we joined a noon gathering of workers who were listening appreciatively to a college quartet and a "shop talk" by a varsity football star on "Clean Living and Clean Athletics." One evening we observed a mechanical engineering student leading a group of carpenters in practical geometry and plan-reading. We have even seen students welcomed into the labor unions when they came with an entertainment, practical talk, or class in mathematics.

College men have tackled the boy problem in earnest. A year ago a youngster called in to see the editor of a college paper. "Hey, Mister, give me one of them papers with the pictures in it," he demanded. The editor good-naturedly handed out the daily, containing photographs of varsity athletes. "I suppose he will cut them all out and paste them up in his room," we suggested. "Oh yes," said the editor, "and there are a thousand other kids in town just like him. We ought to do something for them." And the result today is forty boys' clubs and scout troops, several of them led by some of those same athletes.

Let us follow some of the graduates. Here is Jones of Columbia, whom we first met teaching foreigners in an East Side settlement. After graduation he started as a common miner in the copper range of Michigan. Today he is mine superintendent. As we walked with him 2,000 feet underground, "The most difficult yet most interesting part of my job," he said, "is the human side of it. That industrial service experience and those human engineering talks back at college have become a part of my life. If I am making good to any extent today, it is largely because of those experiences."

There is Smith. During the war he dropped in to see us one day at Washington. He was a Captain in the Ordnance Department. "I owe my job to what little ability I have in handling men," he told me. "I first learned how in the Industrial Service movement at Yale, and I've been learning ever since." Smith is now back in his lumber business and 25,000 men in many logging operations are better and happier because of his constructive leadership.

At one of the great industrial plants, a man named Anderson was in the saddle. When industrial welfare experts made some proposals to him recently, he said, "Excuse me, gentlemen, I learned about all this at Harvard. I'm for it. Let's spend no more time talking about it, but you come in and get busy at once." And the result was several recreation buildings and industrial welfare experts who served thousands of men and their families.

Said an employer: "I want to tell you about Dean, a graduate of Ohio State University. He has the knack of getting the full measure of work from each man and at the same time keeping his confidence, loyalty and friendship. He has remarkable ability in handling men. I would recommend him for an important position in industrial leadership." A few years ago that man was chairman of the Industrial Service Committee at college.

Several years ago a football captain from New York University tackled a civics club, became so enthusiastic that he accepted the leadership of the work in his senior year. After ten months in engineering he wrote, "I want to give all my time to the human side." He became an Industrial Service Secretary in New York, enlisted and put to work 166 students the first year, and carried the position for several years with great success. He has recently visited a foreign country to help organize similar work there. Occasionally graduates like this man become "professional" workers in human relations, but the vast majority do what they can, wherever they are, in positions of leadership. They can be counted on to support every good cause and many of them are today in the forefront of movements for social and industrial betterment.

Sir Phillip Gibbs has said: "In the last analysis the war was won by courage and character." Our great industrial problems will be solved by men of courage and character. The Industrial Service movement is helping to graduate a thousand or more college men each year with an understanding which will mean much to the industrial life of nations.

Making Farmers Feel at Home

By ARCHER WALL DOUGLAS

THERE ISN'T any panacea about how to make money in the retail business any more than there is in how to be happy though married. I have been inclined to think that system and order, a good accounting system, a reasonable stock turnover, and a low expense account, were a fairly good recipe; but a recent experience led me to believe that, like morality, it is often a matter of latitude.

I had to wait over between trains in a little town in Missouri, and naturally I drifted to the nearest hardware store. There was not any system and order, not so that you could see it; but the proprietor and his lone clerk were busy waiting on farm people. Meanwhile I wandered around the store and knew from the appearance of the stock that there wasn't any special turnover going on, and the lone set of books in sight was a combined cash and journal and a ledger.

Finally when the proprietor "got shet" of his customers, he came over and sat down by the old-fashioned cannon stove with me.

"How do you do it?" I queried.

For he knew that I knew there was the flourishing county-seat town only a few miles away that was also a college town, where were found beautiful stores with the latest of everything, including polite clerks. Then, too, the county-seat had all the matters of amusement and comfort that go with a college town.

"Well, you see," he replied, "I was born on the farm, and only got into this business a few years ago, so I don't know much about hardware and leave that to my clerk. But I do know something about farmers, and there are a lot of old-fashioned ones around here who don't feel at home in those fine stores over at the county-seat, and the polite clerks make them tired with their ways.

"So they come here, and I let them alone, or talk farm-stuff talk to them, and they mosey around for a time, make a bluff about going and then ask the price of something that they had on their minds all the time. I never crowd the mourners, and they come back again and keep on buying goods. I guess that's the answer."

I guessed so, too, and thought of another case of the human equation in business which I observed some six months ago in Los Angeles. It was a house furnishing goods store down town in the shadow of the great department stores, and yet it was getting away with it. It was up-to-date in every particular, from appearance to goods.

I asked the proprietor the same question as to how he got that way and received an entirely different answer, and yet one that told the same story. For the second man likewise knew his customers, who were mostly women.

I got the gist of the thing when I saw a clerk selling a refrigerator to a housekeeper, for it was a study in diplomacy. Not only was the man thoroughly familiar with his business, but he illustrated the fundamental policy of the store, which was to have something different from that to be found at any other store. The owner had an agency for articles not to be had elsewhere in the city. He advertised this fact among his women customers.

It was something to have a line of kitchen utensils that not every woman had, something different, which thus conveyed an air of distinction on its owner. Every clerk in the store worked on a commission and thus had the incentive of self-interest. Yet they had been trained not to be too importunate, for the woman infinitely prefers to buy goods than to have them sold to her. And there were no women clerks, for in a business way women prefer to deal with men rather than with their own sex, nine times out of every ten.

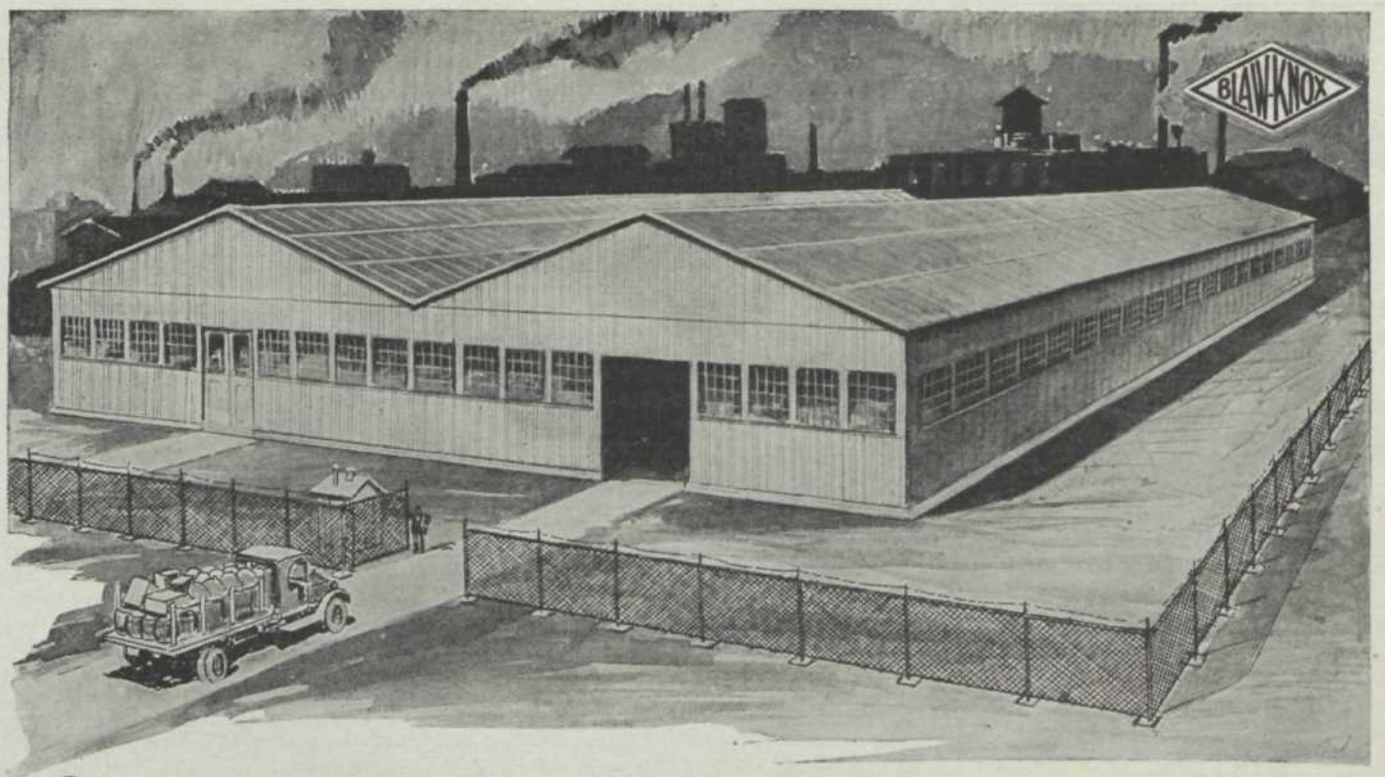
The proprietor was wise in that he did not attempt to meet the large stores on their own ground, for he had neither bargain sales nor special drives; nor did he advertise much, and that mostly of a direct personal nature to his customers. He gave, instead, a service that was distinctly personal.

Yet, as I learned, there was, in the background, an accounting system which analyzed his business down to the value of each individual unit in it and told him whether each particular line of goods was or was not profitable. The vital matter was that this system was a highly organized affair which gave him a knowledge of his business and not a fetish which obstructed and prevented efficiency instead of creating and furthering it.

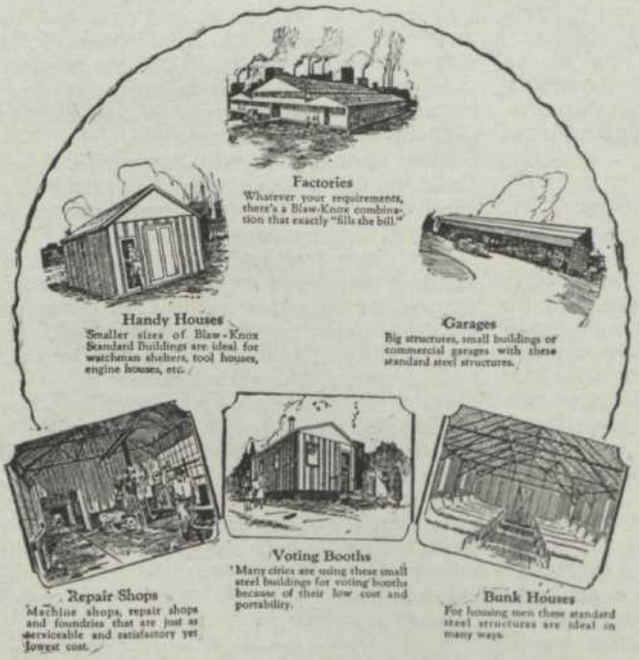
Much after the same fashioning was a retailer in one of the many small manufacturing cities which are strung along the Mississippi River in northern Illinois. He loved his job, and found it not only a source of livelihood, but even more, an inspiration to study and constructive work. His business was almost entirely with men, for he sold carpenters' and mechanics' tools, and yet he had one of the most attractive stores in his town.

He staged window displays of his wares that were most original and ingenious, and everything was neat and clean throughout his establishment. His business was a constant source of education, for its nature and its changes connected him with the progress that was being made in the great world outside. He was strong on the turnover of his merchandise, and the constant watching of his stock often led him far afield in the things it revealed.

He told me that the steady substitution of steel for wood was manifested in the study



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he made of the falling-off in the sales of certain wood-boring tools as compared with the similar gain in the sales of twist drills used for metal only; likewise, that the decrease in the sales of carpenters' sticks brought forcibly to his attention the growing use of machinery for wood-working purposes, as illustrated in planing mills, where formerly hand tools had been used.

So he camped out on his job all the time, that his stock of goods might always represent the latest and most efficient things in their line. Articles that were going out of use were never allowed to die on the premises, for as soon as their end began to be manifest, they were quickly disposed of and more modern and up-to-date implements took their place.

He did that thing that so many retailers neglect—he patiently taught his clerks how to sell goods, how to talk them up to their customers, how to handle the customers, how to gain the good-will and confidence of the men with whom they dealt as their best and most enduring stock in trade. He knew full well that selling goods does not come by instinct.

Moreover, he realized that in business there must be a system which keeps track of what goes on, but that it is not so essential in the retail business as in manufacturing and wholesale. He had what is called a very "clean" business. There were no clinkers in it nor any barnacles, and in a long series of years he had won the confidence and goodwill of those who dealt with him, by furnishing them with the very best articles that could be had.

One of my retail acquaintances who ran a general store in a little city in southeastern Missouri lamented to me that he was unable to get the trade of the farmers in his territory because of the competition of the mail-order houses.

"Did you ever try first selling yourself instead of your wares to them, and then seeing if all these things would not be added unto you?" I asked.

"As how?" he responded.

"By getting acquainted with them," I replied.

It was twelve months before I saw him again, and his greeting was, "I followed your advice, and it paid me several times over in more ways than one. When the farmers and their families came to town, I showed them attention. At times I took them home to dinner with me. When I went out into the country in my machine, I called upon them at their homes. My folks attended their church sociables and ice-cream picnics. My trade with farmers has increased several hundred per cent, and I never talked shop with them once nor made mention of the mail-order houses, though I have been particular to see that they get good service and my lowest prices. Beyond all this I made friends whose regard I value more than their trade.

"The fact that my wife went along with me in all this resulted in my getting the trade of the farmers' wives in a way I never could have done otherwise. When they need some household conveniences that they dearly crave but have not the ready cash for, I sell them on time and take my pay in monthly installments of butter and eggs and the like, and they never miss a payment."

Another man I knew lived in a large town in the middle west, which was the seat of the state university, and its many thousand students were the life of the community. Now, most commercial travelers will tell you that college towns are rarely good business propositions, but this particular man had plenty of vision, or nerve, whichever you choose to call it, and a moderate amount of credit, and proceeded to install about the finest and most attractive meat and vegetable market anywhere in the country.

He figured the college professors were not long on salaries, but they were strong on intelligence and good taste, and that college students got the same way after they had been to the university for a while, and that the town inhabitants in general were in the same class, as they had shown by the manner in which their houses and land were made more attractive and beautiful. Nor did he miss his guess. Which shows that the best way to sell goods, in the long run, is not so much by price as by service and quality.

My most recent experience with retailers gave me convincing evidence how the shopkeepers of the day have traveled far beyond the once-prevalent opinion that any man could go into the retail business and make a success if he just gave all of his time and a little of his mind to it. It was at a meeting of some score of hardware dealers in New England who asked me to tell them of present business conditions and to tell them, also what is going to happen in the future. The first proposition was not so difficult, but I always wonder that so many intelligent people believe that anyone can fulfill the second requisite.

The effect of what one says depends much upon the sympathetic attitude and nature of the audience, and I never figured an audience of New England business men as overstocked with sympathy toward an entire stranger. Having been born in the South, my early impressions were that such an audience would be as unapproachable as a buzz-saw. What those hard-headed, close-thinking men illustrated was the widespread and intelligent interest among retailers in all sections of the country in every phase of their business and their eager desire to take advantage of every method which enables them to conduct their affairs in a more efficient manner.

They wanted facts with some lucid interpretation as to their present meaning and effect and their future likelihoods so far as any man could safely forecast them. They did not care whether such methods related to the human equation or to industrial engineering or how best to handle their customers or their employes, just so they could get something out of the discussion for the good and advancement of their business.

What was the best way to advertise; how to get sufficient turnover of their stock of merchandise; should they base their selling prices on what the goods cost or on replacement values; how could they safely cut down their expenses; how should they treat their clerks so as to hold them and insure their loyalty—these and innumerable questions of like nature indicated the trend of the retail business of today.

Schools Discuss Ships

THE ADMITTED necessity of ship-mindedness on the part of the American people as a preliminary to the establishment and maintenance of a successful merchant marine, and of a program of education upon maritime affairs tending to ship-mindedness, lends interest to the state-wide high school debate upon the question of subsidy for shipping that is being arranged in the state of Michigan. The National Chamber's contribution to the success of these school discussions is made through material bearing upon the subject of the debate that has been prepared by the Marine Bureau.



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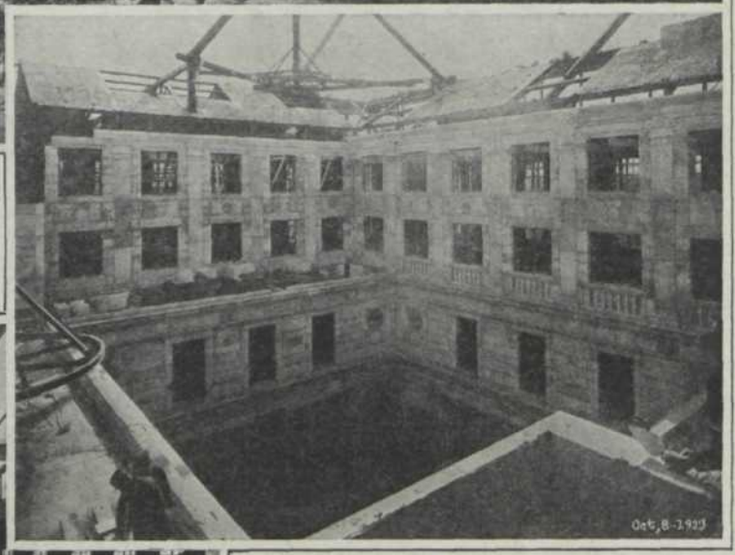
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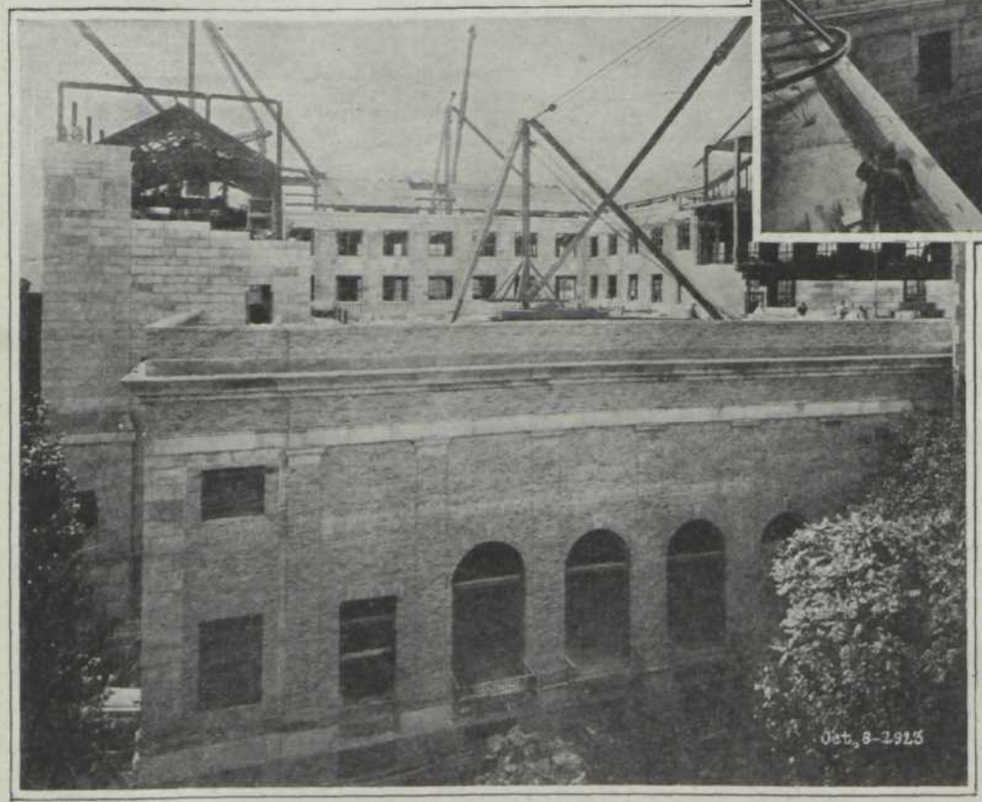
The Remington Typewriter Line is complete in every field and complete for every purpose

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Work goes on rapidly on the new home of the United States Chamber of Commerce



The upper picture, taken about the middle of October, shows the stone work almost completed.

By December 1 the building will be closed in. Before that time contracts for interior finishing will be awarded.

The lower pictures show the interior of the building and corner view taken at the same time, October 8. Every month sees important progress in the structure which has now reached almost its full height.

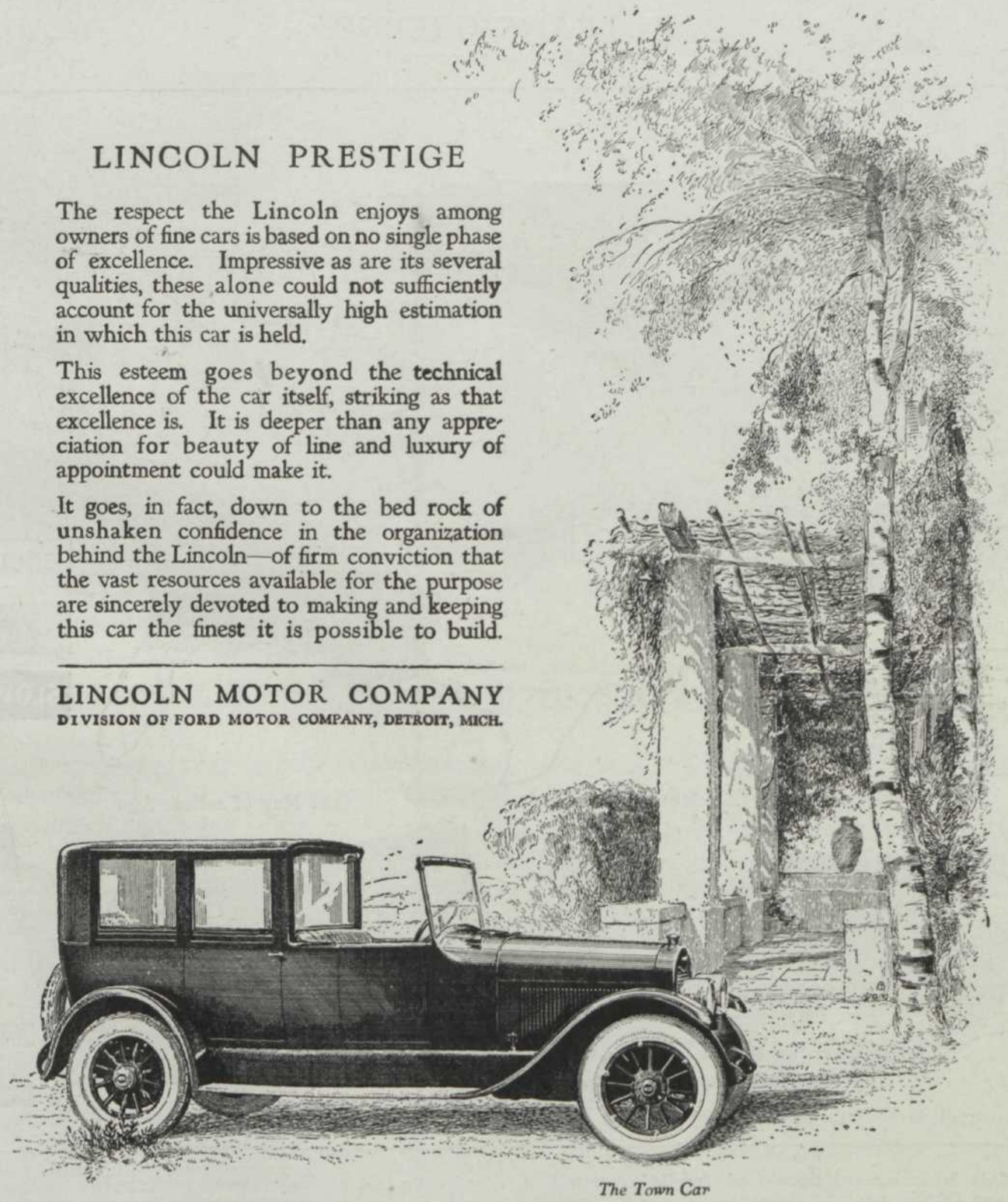
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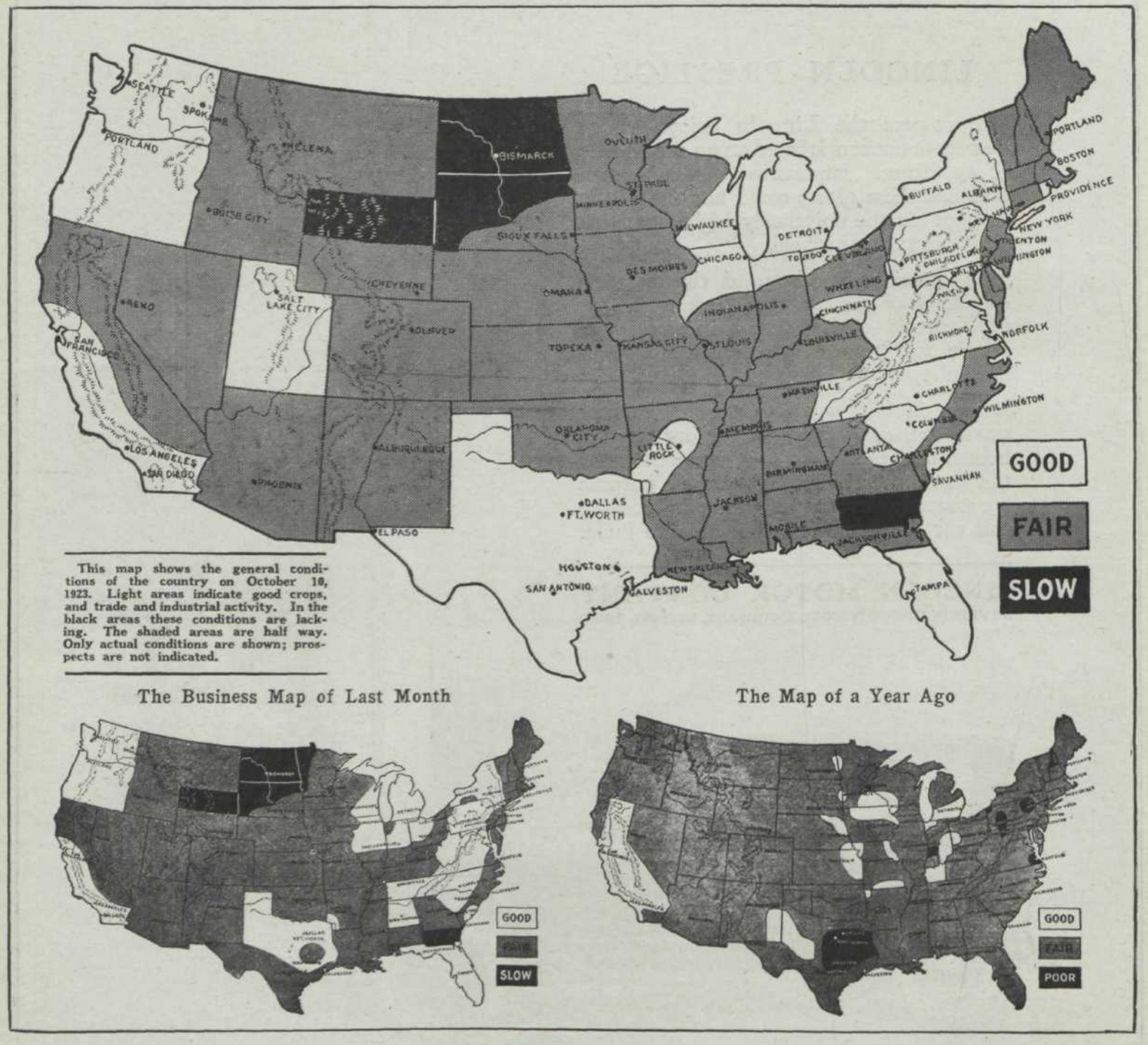
The Town Car

L I N C O L N

When writing to Lincoln Motor Co. *please mention the Nation's Business*

The Map of the Nation's Business

By FRANK GREENE
Managing Editor, "Bradstreet's"



This map shows the general conditions of the country on October 10, 1923. Light areas indicate good crops, and trade and industrial activity. In the black areas these conditions are lacking. The shaded areas are half way. Only actual conditions are shown; prospects are not indicated.

The Business Map of Last Month

The Map of a Year Ago

TRADE in September and the elapsed portion of October continued the slow, but nevertheless steady, growth reported the month previous. Industry as a whole also showed a gain in pace, but there were enough exceptions to this to cause the word "spotty" to be used to characterize movements in that line. Collections improved because of increased crop marketing, this conspicuously at the south, in areas fortunate enough to have liberal yields of cotton, which brought excellent prices.

Taking commercial developments as a whole, they may be said to have been not quite all that was hoped for by the sanguine; but on the other hand they give little support to those who months ago made lugubrious predictions as to high prices holding back or actually limiting fall trade. Trade, industry and employment are all better than a year ago at this period or indeed in any year since 1919, when trade the whole year through was about the best in the country's history.

Late last winter and early last spring, much stress was laid upon the fact that the high levels of all prices for fall goods rendered the outlook doubtful and it cannot be denied that there was an apparent basis for this attitude. The fall season has arrived, however, and aided by cool weather, crop marketing, better-than-expected prices for farm produce, activity in building, big public expenditures for roads and other purposes, an increased movement of manufactured products abroad partly making up for reduced exports of grain and widespread distribution of active employment at highest wages, trade classes as fair to good, certainly better than it was in August; and at the same time it contains the promise of a pretty good distribution during the balance of the year.

Just as last winter there were predictions as to fall trade being checked by high prices, so today, the report is now that trade for next spring is being checked, or held in leash, by the still higher prices asked, or to be asked, for the products of American industries. All that may be said as to this latter feature is that prices may, no doubt will, some time reach the prohibitive point. But most obtainable information is that, taken as



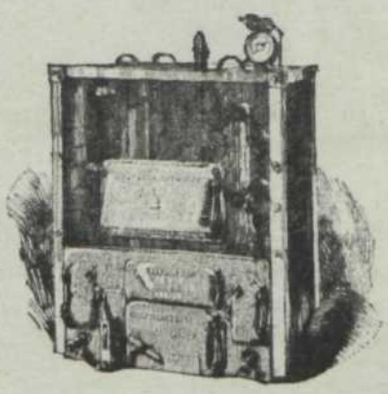
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a whole, the level of American prices is not very greatly in excess of price levels abroad, and until our prices rise sufficiently to stop foreign buying of needed products, there seems little in the domestic situation, as regards public earning power, to cause fear that trade during the balance of the year at least will not continue to show gains over last year. In this connection, of course, it needs to be recalled that from October, 1922, onward, trade surged forward, and it is hardly to be expected that the gains in the next three months will equal those shown in the first three quarters of the year.

It may be truly said that the stock market in September did not afford the indications usually drawn from that market's operations. For the past two months, in fact, judging by the averages, that market has very much resembled a ship at anchor, responding to varying tidal movements it is true, but getting little further than the end of its anchor chain away from the original point.

The market has been dull enough in all conscience, September stock sales being the smallest of any month in two years and bond sales the lightest in a much longer period. Stock market averages over the month have fluctuated irregularly. The position of railroad-stock averages has undoubtedly strengthened, and prices for those securities are practically unchanged for the month, but industrials, on the other hand, are lower by from $3 to $4 per share.

Gasoline Stocks Lower

UNDOUBTEDLY a good deal of this latter decline is due to the weakness in the oil stocks, but the situation in that respect is said to be clearing up, production of crude oil having declined moderately, while consumption of refined products, notably gasoline, aided by lower prices, has unquestionably enlarged and stocks have declined. The decline from the peak prices of stocks and bonds early this year to those of early October was $10 on railways and $16 per share on industrials. As to the "over-the-counter" bond market, some authorities say there was a plethora of offering of state and municipal bonds early in the year. Bond prices on the exchange are about 1 per cent lower on the month.

The money situation has not greatly changed, quotations firming a little it is true as increased activity in business has called for larger amounts of accommodation. The exchange situation has bettered a little on the whole, mainly because of German promises of abandonment of passive resistance in the Ruhr. German marks reached a new low level but British exchange and that of several continental countries have improved, although some weakness in sterling during September was largely traceable to a liberal movement of high-priced cotton abroad, most of this to Britain.

A notable feature of September movement was the further upturn in the general level of commodity prices, the advance in September being about twice the gain shown in August, this mainly due to higher prices for textiles, notably cotton and cotton goods, and smaller increases in prices of provisions—some of this as in eggs and butter being seasonal—while breadstuffs also advanced.

Other features of note on the favorable side were the slight gain in bank clearings shown over August, the marked reduction in failures, September's total being the smallest in three years, the liberal gains reported by mail-order and chain-store houses alike over August and September a year ago, something like a subsidence of radical movements espe-

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cially that having to do with government fixing of prices, and last but not least, the excellent returns of carloadings, which were maintained above the million-a-week point, notwithstanding the anthracite coal strike, in the first half of the month, and rose again to a new high peak after that strike ended, touching 1,097,000 cars for the week ending September 29.

On the unfavorable side of the picture, might be noted the reduction, 6 per cent, in output of pig iron from August and also in steel, accompanied by rather pronounced weakness in pig and scrap metal, and following the ending of the anthracite strike, renewed declines in bituminous coal and coke. Among the non-ferrous metals, copper also showed weakness, and copper mining in the western states was said to be at not over 75 per cent of capacity although consumption is said to be at the peak.

In connection with the weakness in iron and the quieter buying of steel, it might be noted that buyers in these lines seem to have adopted very much the same tactics that buyers in ordinary merchandise markets have used. That is, knowing that deliveries will be made promptly, they have refrained from any but most necessary purchases. In fact, iron and steel purchases have been more nearly a "hand-to-mouth" affair than was probably ever before known in prosperous times, but constituting a good-sized business in the aggregate. Still the railroads have bought quite freely of rails; necessity buying of material for making tanks to store surplus oil has amounted to a good-sized total, and free Japanese buying is claimed to have been done in certain kinds of reconstruction material. The automobile trade is said to have bought rather less freely of steel of late but this is claimed to be in keeping with seasonal practice. The September output of automobiles was 1.6 per cent smaller than that of August, but at the same time only about what might be expected from its being a shorter month. Still September production was slightly larger than in July and 58 per cent ahead of September a year ago.

The lumber trade in September responded to the better reports as regards new building planning, and on the Pacific Coast output and orders have increased on advices that a large quantity would be needed in Japan for reconstruction purposes. Prices have steadied somewhat and other building materials, such as brick, cement, hardware, etc., have sold well with production at, or little below, the peak.

Grain Surplus Reduced

ONE very notable happening of the month was the strength in the grain markets. Wheat from the middle of September until well into October showed a fairly well sustained advance, getting up perhaps ten cents, and well above the dollar mark at Chicago; corn reached the highest price in three years, and oats and other grains also improved.

The advance in corn was apparently directly traceable to liberal feeding to hogs last winter and spring when burdensome supplies of corn were feared. The advance in wheat, which surprised the trade itself, was variously attributed to excessive short selling based on the bearish crop position, the reduced production of bread-making wheat east of the Rocky Mountains, mentioned in THE NATION'S BUSINESS some months ago, predictions that something would be "done for the farmer" and the operations of the 30-per-cent-bushel tariff in restricting imports of Canada's plenteous crop.

Another farm product which has shown a

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good deal of strength, but also some notable spells of weakness, is cotton, which is still three cents higher on the month. Visible effects in this latter direction, in early October, were the shading of prices of unfinished cotton goods, and the announcement by a large manufacturing concern that it would suspend operations until a clearer view of the future of prices of their products could be secured.

Wool weakened a little on the month but buying has been better of late, indicating that demand for spring goods is larger than in mid-year. A good deal of low-grade foreign wool has been re-exported and Boston prices are still claimed to be below the world parity. Silks have been unsettled by the Japanese uncertainties but the big jump in raw material following the earthquake has been fairly well held with 15 per cent advance which was asked for finished products by manufacturers.

The strength manifested by railroad stocks during the past month was predicated largely upon the excellent carloadings figures, which have been above 1,000,000 a week except where affected by holidays, since last spring. The increase for the year over last year is slightly over 17 per cent while the increase over the hitherto peak year, 1920, is 8.2 per cent. These excellent returns of loadings have been fully confirmed by the gross earnings returns of the Class One roads which for August were only exceeded by three months in the country's history, September, October and November of 1920, when earnings were at the peak so far as our records extend. Net operating income in August was only exceeded seven times in the country's history.

Some railroad executives estimate the net operating income for this calendar year at $1,000,000,000. It was $626,000,000 for eight months, which is esteemed a wonderful showing, as indeed it is if we take into consideration the fact that this sum is only a shade below the peak total for the calendar year 1916, when net railway operating income totaled $1,058,505,501 on all roads. It is figures like these that have given strength to the railway securities markets while other issues have tended to droop.

Editor's Note: Archer Wall Douglas's article on crop and related factors in business will be found on page 65.

When a Head of the Business Dies

By THOMAS W. BLACKBURN

Secretary and Counsel, American Life Convention, Omaha, Nebraska

JAMES ALEXANDER and Peter Swanson were partners. Alexander was of Scotch descent and was as economical as though he had been born at Aberdeen. Swanson was a native of Sweden whose parents came to America in the steerage when he was a babe in arms. Swedeborg, where the partners engaged in business, was a Scandinavian colony originally, though the population was at that time only about 40 per cent Scandinavian.

Alexander and Swanson were young married men and each owned a little home in the village. As it happened Alexander married Swanson's sister and Swanson married a cousin of Alexander. They were, therefore, related, and they made a fine working team. Each put into the original partnership enterprise $5,000 in cash. They owed no man and each had stock in the National Bank of Swedeborg and each was a director. They operated a general store, an elevator and handled farm implements.

Both were industrious and both were all-round business men. Each had a common school education and having been accustomed to work from childhood on farm and in village, of strong men they ranked among the strongest. They knew nothing of eight-hour days, but worked early or late, or both, without once thinking of saving themselves.

For ten years neither man was sick a day. In that period their business grew and they were rich in the eyes of their neighbors. They were owners of several farms, had added two elevators and increased the stock of merchandise in their general store year after year. Prosperity was smiling and the children and wives were happy in new homes.

Then Swanson was killed in an automobile accident. Had the death occurred three months earlier or three months later the complications following that unhappy event might not have been experienced. But death has a habit of striking not only when least expected but when most disastrous consequences will certainly follow.

Omitting details, it is sufficient to say that within eighteen months after Swanson's death, through an unhappy sequence of misfortune, the firm business fell off, the current indebtedness, twice renewed by notes at bank, was called; fire destroyed two elevators filled with grain and for lack of $10,000 in cash, suits were instituted and troubles accumulated. Mrs. Swanson, seeing her late husband's fortune dwindling before her eyes, on advice of her lawyer, asked for the appointment of an administrator and he brought an action for the value of the Swanson interest.

The several suits, together with the depressed state of business generally, combined to ruin Alexander. His dead partner's estate took every dollar of assets after settlement had been made of liabilities, all of which accrued subsequent to the death of Swanson. Alexander had undertaken to conduct the business as a firm business but was required by banks and creditors personally to assume liabilities. The effect of this was a dissolution of the partnership and the share of the deceased partner was determined by the courts as of the date of his death.

Now if Alexander and Swanson had been wise enough to protect the partnership and the individual partners by life insurance policies, the incidents which forced the business to the wall and bankrupted the surviving partner would have been met without embarrassment. The estate of Swanson would have gone to Mrs. Swanson and the children in cash, and the surviving partner would have owned the business with ready cash in addition available to the survivor for the unexpected contingencies.

Business life insurance is a recent development—almost a departure—in commercial undertakings, but a business life insurance policy is as simple in terms as a personal policy.

A business policy of any form may be issued on the life of a partner payable to the firm.

The partners may insure each other, or a joint policy may be issued payable to the firm. Firm funds may be applied in payment of the premiums.

In the case of Alexander and Swanson,

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"Whatever the reason for his seeking you, you are to take hold *interestedly* and give him the quickest satisfaction possible.

"In all your contact with guests (and, don't forget, with your associates, too), remember that the unforgivable sin, from our standpoint, is discourtesy. A close second is lack of interest; whether a guest comes to you with a complaint or a request, he *must always* be greeted and listened to and *helped* with the graciousness and courtesy that are the spirit of our policies.

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"You are the men at the top in your houses, you managers and assistant managers. But you have no special rights or privileges over any other employee of the company in the literal carrying-out of these instructions from The Statler Service Codes: 'No employee is allowed the privilege of arguing any point with a guest; he must adjust the matter at once to the guest's satisfaction, or call upon his superior to do so.'"

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From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write *to me* a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of 6,000 employees, and there is no need that I should do so; but when our promises aren't kept I want to know it.

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there should have been a joint or several policy on the life of the partners payable to the firm. Also each partner should have been insured for the benefit of the other with an agreement that proceeds should be held by the beneficiary for the use and benefit of the estate of the deceased, with directions for payment of the proceeds to the administrator or executor in full satisfaction for the claims of the deceased partner.

A joint policy could have been arranged with proceeds payable to a trustee with an express trust agreement setting forth the purpose of the proceeds of the policy in detail.

Ways of Liquidating

INASMUCH as death of a partner dissolves the copartnership and a distribution of assets must follow, the interest of the several partners must be determined and that interest converted into cash for the heirs or creditors or both.

Where there are no creditors and no demand is made or no probate proceedings had, as happened in the illustration above, the deceased partner's heirs must be reckoned with. In fact a new partnership must be formed to be safe and this involves probate.

Frequently the heirs of a deceased partner are not fitted to assume a partnership relation to the going business. They may be minors, incompetents or inexperienced. In any event, the death of a partner means such a change in situation as requires a complete readjustment of firm affairs, firm attitude, firm credit and firm prospects. Formal dissolution, with consequent impairment of good-will, loss of time for settling the estate and embarrassment of credit must result.

Now proper life insurance policies can be drawn to meet all these partnership contingencies and thus all uncertainty and difficulty is avoided both to the surviving partners and the estate of the deceased partner.

Some Corporation Methods

ALEXANDER AND SWANSON might have forestalled some of the misfortune above outlined by converting their copartnership into a corporation. A corporation continues in existence after the death of the stockholder and a copartnership must quit one way or another.

Had they been incorporated, life insurance policies could have been taken by the corporation on the life of both, payable to the corporation. The death of Swanson would have provided ready cash for the emergencies which followed and the business would not have been sacrificed. The heirs would have inherited the stock of Swanson but not the right to conversion of firm property into cash.

An additional policy, joint or several, upon the life of each of the two stockholders could have been issued upon an agreement that the proceeds be accepted in full for holdings.

In either case the transactions are simple, direct and conclusive. The contract of life insurance, whatever its form, presents no technical difficulties and the proceeds may be applied to the purposes set forth in the policy without delay, debate or court proceedings.

Where two partners have incorporated, they can issue the stock as joint tenants with the right of survivorship and protect their several estates by a joint insurance policy.

The life insurance policy method of maintaining control of a corporation is simpler, more direct and more effective of purpose than the common plan of voting trusts or trusteeing the ownership of capital stock. Furthermore, the fact of the life insurance forestalls uneasiness of creditors and all concerned.

Corn and Cotton Weaker

By ARCHER WALL DOUGLAS

COTTON deteriorated during September in the greater portions of the southern states, save in Texas where improvement was shown. Rains during the early part of the month were accompanied by continued and widespread damage by insects. Army worms and leaf worms stripped the plant of its foliage, thus checking entirely all growth, including that of the bolls, which under such conditions were only partly developed and opened prematurely.

The constant rains also materially lowered the grade of quite a large portion of the crop, which is now made, as all fruiting is completed. There will be no top crop except in a few sections of Texas. Localities that were "poor" thirty days ago have increased somewhat both in intensity and dimensions.

Consequently those in personal touch with the unpalatable facts have scant regard for the September government report indicating an even larger yield than forecast in the August estimate. Nor do ginning returns hold out any such promise.

Ginning Returns Drop

NOWADAYS, cotton is ginned about as fast as it is picked, so the ginning returns are a fair index of the probable total yield in connection with the question of whether the crop is late or early. If the crop was late last year, it is also late this season, and on September 25 the ginning returns for 1923 were 650,000 bales less than for the same period twelve months ago. Texas, North and South Carolina were the only states showing any increase over 1922 while all the others indicated decreases of from 25 to 50 per cent.

A yield of from ten to ten and a quarter million bales seems likely.

Consumption by American cotton mills has increased of late as has also the export demand. The domestic cotton textile situation has likewise shown distinct improvement, as apparently the consumer realizes that high-priced cotton is inevitable for many months to come, and finding himself abandoned by fate, is becoming resigned to his lot. There is a price, however, where the worm will turn and refuse to buy, and manufacturers and distributers in textiles are seeking it.

Corn Damaged by Frost

RECENT evidence indicates even greater damage to the corn crop in northern sections of the Corn Belt than was at first apparent. At this writing, much of the standing corn is still in danger from frost. An unusually large proportion of this year's corn is soft or frost-bitten, will never mature, and will be fed only in its green state. The result will be a materially smaller yield than the latest official figures indicated. The price of corn is consequently much higher than for a long time, which is a material factor for good business in the surplus corn states.

There will also be a vast number of hogs to eat up the corn and prevent the price going down because of lack of demand. Despite the great run of hogs to market, prices are well maintained by an increased domestic and export demand for pork products. Livestock are everywhere in most excellent condition, as recent general rains put pastures and grazing ranges in fine shape everywhere.

This same precipitation placed the soil in shape for plowing and seeding the winter-



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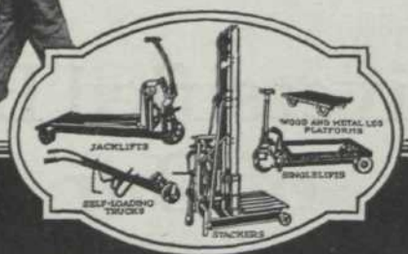
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grown small grains. There is, as yet, no definite evidence of any decrease in winter wheat acreage, either present or prospective. Possibly this may be the result of the somewhat higher prices of wheat, or because in the great wheat-growing states any sudden or sweeping change of this nature is practicably impossible save in the slow and natural process of time, and when there can be found some adequate substitute for a cash crop like wheat which is always marketable and which can be stored almost indefinitely.

This evolution has already taken place in northern and central Illinois where corn and livestock, especially hogs, have taken the place of the wheat formerly grown. That little-known but most important part of agriculture, the production and marketing of fruits and vegetables, shows serious falling off up to the last week of September of this year as compared with the same period of last season, or 307,000 carloads against 741,000 carloads, or a falling off in the business of probably more than $300,000,000, in the revenues of the growers of these products. Part of this is due to the oversupply of these commodities last season, and part to the widespread damage done by the late frosts of last spring.

Less Spending Money

THE significant fact is that the people in the districts where these products are grown have much less spending money this year than last, and all business in such localities suffered accordingly.

In all of our forecasts of 1924 we shall find this one of the most difficult problems. Industrial life still goes at moderate pace and with the probability in most lines, save textiles, that it faces lower prices, whatever fond delusions it may cherish on this score. Possibilities of supply are greater than those of demand, as the manufacturers in leather goods and metals have discovered, nor is there any likelihood of this changing in the near future. It has come to pass even in the staple commodities that enter largely into building and construction.

In one sense, at least, it is a return to normal conditions in that it is a period when salesmanship is needed to sell goods, and when there is no longer the speculative incentive in general of advancing prices. There is no difficulty in marketing a reasonable amount of goods at fair prices as is being daily shown by those shrewd merchants, the department stores, in the large cities.

It is not correspondingly easy to do this in the country districts because ready money is not so plentiful there and the purchasing-power of the agriculturist is not on a par with that of the worker in industrial and commercial life. Yet the difference is in degree and not in kind.

There exists today a rather widespread effort to minimize certain serious factors in the situation, such as poor crops in the districts where wheat is the principal reliance of the agricultural world, and some spots in the South where there is little or no cotton raised. But the situation is sufficient unto itself as it is and needs no glossing over. As always, there are localities where business will be only moderate at best, and where collections will be poor. Yet these are distinctly in the minority, both as to extent of territory and the number of people concerned. The remainder of the country is most satisfactory so far as material conditions are concerned. The real problem lies in the general attitude of conservatism which is buying only for its immediate needs or for needs which it is sure will occur.

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In fact, you go and get very little that you use in daily life. Someone brings it to you. The goods of the world would be of small value if they could not be transported to those who consume them. So, since time began, man has been improving his means of going and getting.

In pioneer days goods were moved overland by wagon train; up and down the rivers by flatboat. The stage coach and the trip by horseback appeal to the imagination. But compare them with great freight trains and powerful motor trucks—with the motor car and the passenger train!

Transportation is fundamental to every activity. And with every advance in transportation there has come a corresponding advance in civilization.

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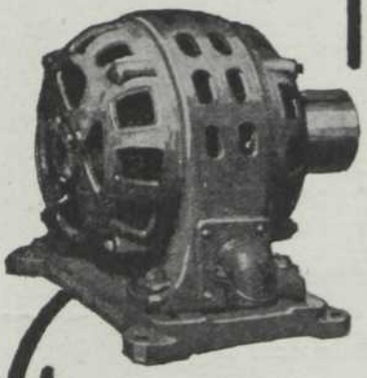
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The Menace of Plant Quarantine

Some months ago THE NATION'S BUSINESS *printed an article by F. M. Russell, of the U. S. Department of Agriculture, explaining and defending plant quarantines and the methods of enforcing them. His was the side of the government expert. There is another side to this question, the danger to commerce from unreasonable quarantines; and this side is here presented by the Committee on Plant Quarantines and Their Administration of the Merchants' Association of New York.*—THE EDITOR.

THE MERCHANTS' ASSOCIATION is on record not as opposing all plant quarantines, but as asking an authoritative, non-government investigation of the methods of the Federal Horticultural Board; and it has requested the Chamber of Commerce of the United States to undertake such an investigation.

Mr. Russell's article might lead the readers of THE NATION'S BUSINESS to think such an investigation unnecessary. As a matter of fact, Mr. Russell disregards serious complications and issues which have already arisen and which threaten to arise in increasing numbers as a result of certain phases of the crop-protection policy outlined.

The point at issue is not, as suggested by Mr. Russell, "Shall we protect our crops?" but rather, "Shall we attempt to do so to a degree and by means of measures which although condemned by competent critics as (ultimately) futile, are tending to stifle an important branch of our national and international commerce?"

The ravages of insect pests and plant diseases in this country—as elsewhere—are of course serious and deplorable, and every good citizen favors proper and rational action by governmental authorities looking to their eradication if possible and, in any case, to their control. But even a superficial investigation establishes the fact that such pests are, the world over, co-existent with vegetation and plant life. It is a fundamental principle of Nature that plants and animals shall have their enemies and parasites; that where certain species go, there will their enemies follow; and that it is no less than futile to endeavor permanently to set up artificial barriers of rules or regulations to prevent the movement of such organisms across imaginary political boundary lines. Moreover, plant pests have existed, presumably, as long as the plants themselves; yet even in the long inhabited, thickly settled, intensively cultivated, presumably heavily infested regions of Europe and Asia, crops are grown and harvested as they have been for centuries and to a far greater extent than in the past, since man's added knowledge has taught him how to protect and improve the plants he values.

Some Scares Without Warrant

FOR example, it was asserted that the Phylloxera many years ago was to destroy our vineyards, and grape-growers were in a panic. This calamity picture was relieved by the report of Prof. C. V. Riley, of the Department of Agriculture, an entomologist of international standing in an official report: that this insect occurs very generally over the country east of the Rocky Mountains; that no vineyard, unless in an exceptional situation, is free from it. Ordinarily, however, on the majority of our indigenous American vines, its presence results in little or no harm. Even in graperies it may almost invariably be found, but rarely in sufficient numbers seriously to injure the best plants. The presence of the insect in more or less abundance on the fibrous roots is no evidence of injury, but rather an evidence to the contrary, for so long as there are fibrous roots in abundance for it to attack, the injurious stage of the disease, namely, the rotting or decay of the larger roots, cannot be initiated.

A worse panic was created with the appearance about 60 or more years ago of the wheat weevil, when farmers all over the country began to mourn that no more wheat could be grown. Those serious forebodings, now reiterated regarding insect diseases and pests proved largely the result of undue alarm. Then in due course appeared the potato bug, when nothing but sweet potatoes were to be thereafter produced in the country.

Similar predictions are now being advanced by the alarmists, yet with time and intelligent treatment and the operation of natural laws, the great mass of vegetation, fruit and food-bearing products have, on the whole, gone forward in the past as now.

It is because there are seen in the present administration of certain phases of "the war to save our crops," discriminatory restrictions that tend to stifle individual initiative that the National Chamber of Commerce has been asked to investigate the entire subject upon a basis of unbiased, authoritative, scientific and economic judgment.

If a dangerous plant pest is known to exist in a certain country or district and if importations of a certain kind or group of plants are likely to introduce that pest, a quarantine should be raised against *such country* and *such plants* until the pest is overcome or for some other reason the emergency passes. That is right and desirable.

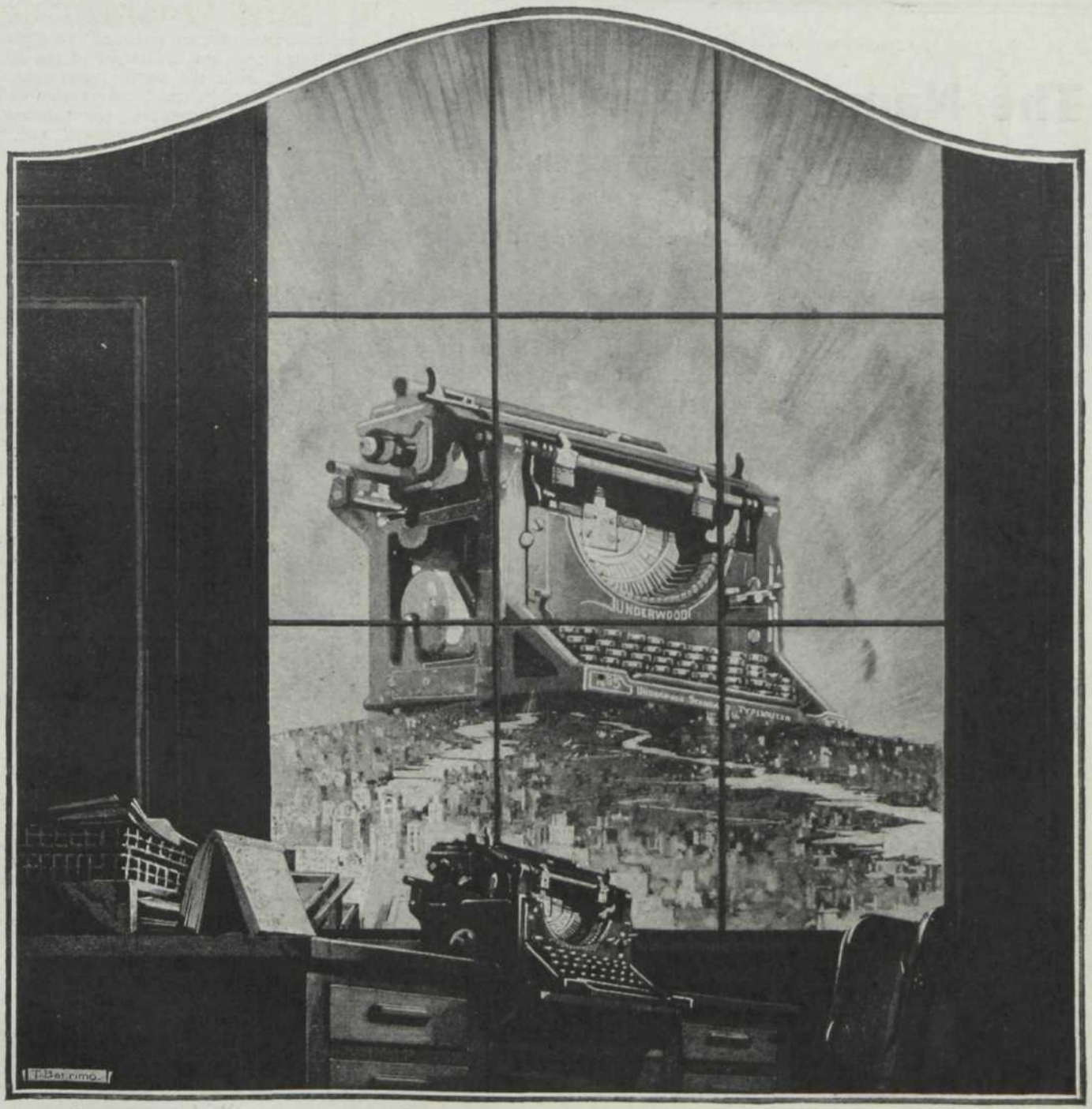
Dangerous Power Developing

BUT it is inconceivable that this policy of protection intends that because of unknown insects and diseases that may exist in other lands, and because of the possibility that any plant importation might serve to introduce one or another of them, all countries under the sun shall be rendered subject to a quarantine whereby practically *all types* of plants, healthy as well as diseased, shall be excluded—save under special permit issued according to the dictum of the controlling board as to "the need of the material in this country."

The serious consideration of American interests is directed to the policy which has been adopted by the Federal Horticultural Board of the Bureau of Plant Industry, into whose hands the virtual control of American horticulture is rapidly being gathered. In this lurks, it is felt, a danger to American progress and development no less serious than the curtailment of some of its crops to which Mr. Russell's article points. Moreover, Mr. Russell's figures with which he bolsters his argument are unsupported.

"No careful, accurate entomologist, so far as I know," says Dr. Glenn W. Herrick, professor of economic entomology at Cornell University, "is rash enough to say that 'imported pests' in this country cause a loss of $2,000,000,000."

It may be pointed out here that the horticulture that is being harassed by the present quarantine policy means not the mere gratifying of personal taste on the part of an occasional patron, but an established industry that produced in 1919, in greenhouses alone, more than sixty million dollars worth of cut flowers and plants; a nursery business in-



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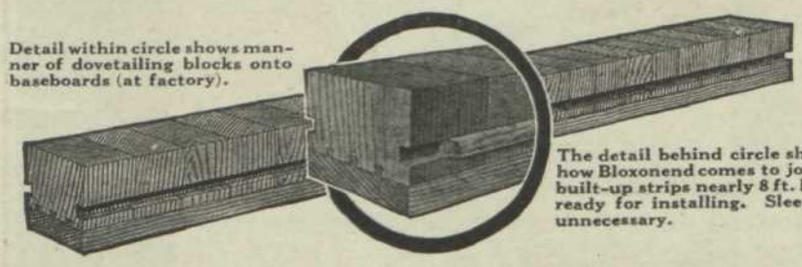
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Business-Managing Our Cities

A subject which often finds its reflection in tax rates is that of the city managers whose job it is to run the affairs of the municipality upon a strict business basis, free as possible from politics. Dorsey W. Hyde, Jr., Assistant Manager of the Civic Development Department of the U. S. Chamber, sets before you in the December Nation's Business some things that city managers have accomplished, as set forth in their highly illuminating "achievement reports."

volving products worth some twenty million dollars more; the many allied and contributing industries that are essential to the production, distribution and utilization of the above. It means, also, the wealth represented in the homes, gardens and conservatories of millions of families throughout the country and in the parks and public gardens, and, what is worth far more—though incapable of finite measurement—the aesthetic effect of ornamental plants on the national life.

Best Crops Derived From Imports

BY FAR the larger part of the most valuable food and fruit crops as well as those grown for ornament in this country are the descendants of specimens introduced from older lands. Is it for this or any other generation to say that new plant introduction shall be reduced to absolute essentials; that henceforth the aim shall be to render this country independent of foreign supplies? Yet the anounced belief and policy of the Federal Horticultural Board is that "every imported plant represents a potential introducer of a dangerous pest" and that the only way to provide an effective safeguard is to reduce, as rapidly as possible, the importation of all plant products to the absolute minimum! As a matter of fact, the intent of the Plant Quarantine Law, as interpreted by those who framed and passed it, is that "the particular plant conveying the danger is excluded, but no unnecessary restrictions are to be placed upon plants not affected by the quarantine."

The quarantine *has* rendered it impossible to secure many popular bulbs, trees, shrubs and plants from seedsmen and nurserymen who were formerly able to obtain adequate stocks; it has resulted in a manifold increase in the price of many common and universally desired plants; it has resulted in the practical elimination from the florist trade of many desirable and formerly enjoyed species —with a resulting limitation restriction of the public's legitimate requirements.

And always it must be borne in mind that the great majority of the excluded articles are not designated as known carriers of definite pests that are likely to attack any important, staple grain or food crop, but merely as potential carriers of some enemy that may exist.

That serious pests may have migrated hither before any comprehensive system of inspection either here or abroad was established (just as pests native to this country have gone to other lands) is freely admitted. But that the moderate and still effective methods of protection employed in other countries and approved both by their authorities and many experts in the United States and which fall far short of a general sweeping quarantine, are not sufficient to meet present needs, is seriously and vigorously questioned.

Bureau Seeks More Power

THE second main effect of the quarantine situation is associated with unjustifiable acts and tendencies on the part of the Federal Horticultural Board. Officials associated with the board have expressed the desire and expectation that ultimately the introduction, propagation and distribution into commercial channels of virtually all foreign plants will be centralized in the Bureau of Plant Industry of the Department of Agriculture! It is pertinent to ask whether any such program has the sanction of the Congress. And if such an assumption of obvious commercial activities is contemplated in the field of horticulture, why should not similar developments take place, for instance, in connection with the importation of foreign livestock as well. Against these, quarantines are sometimes

raised, it is true, but never with the avowed intention of making this country "independent of foreign supplies" and future commercial importations.

Is it within the jurisdiction of any branch of the Government to exercise dictatorial powers over any industry to the extent of determining what specific material is or is not needed by that industry? Although the board disclaims any thought or intention of fostering home industry by erecting quarantine barriers against foreign stocks, it acknowledges the existence of such a result and emphasizes its obligation to maintain any quarantine heretofore imposed so long as its removal might adversely affect domestic production enterprises that have arisen under the stimulation of its rulings. It is also pertinent to observe that very many of the commendatory opinions of the board's policy from members of the trade, are in large measure frankly based upon the fact that the quarantine regulations *have* afforded them economic protection and benefit. The protection against pests is treated as a purely secondary feature.

Another regrettable result is a lowering of the national standard in matters horticultural that must result from a curtailment of plant introductions beyond a moderate and necessary limit.

Imports of horticultural products from England, Belgium, Holland, France, etc., have been greatly reduced to the serious injury of the important horticultural industries of those countries.

Furthermore, from an economic and political, if not from a scientific or entomological viewpoint, it is impossible to conceive of sustained commercial relations between nations so long as one of them expects to enjoy the privilege of exporting anything it wishes to, while refusing to admit anything or everything from the others.

Business Views on Recreation

THE INCREASING belief among business men that wholesome, constructive recreation out of business hours results in better work during business hours is reflected in the fact that such prominent business men as William Butterworth, president of Deere and Company; William E. Harmon, president of the William E. Harmon Real Estate Company; Homer J. Buckley, president of the Buckley-Dement Advertising Company; and James Mullenbach, chairman of the Trade Board of Hart, Schaffner & Marx are on the program of the Recreation Congress held in Springfield, Ill., October 8–12.

The executive and office man who has become a devotee of golf or tennis or benefitted by an afternoon on the bleachers of the home team, begins to realize that what is good for him may be good for others.

But while the business man is becoming a believer in the relation between recreation and better work, he is also coming to believe that recreation outside of business hours is a matter that should engage his attention as an individual and as a citizen rather than as an official of a business concern and as an employer. A large part of the refreshment which recreation should give will come from fresh contacts, different relationships. Here is a different field of endeavor where each one is free to choose according to his liking and to triumph according to his skill without thought of effects upon his business relationships. So in this field the business man becomes a neighbor and a citizen, giving of his means and his influence to make his neighborhood and his town a better place in which to enjoy the life which his business sustains.

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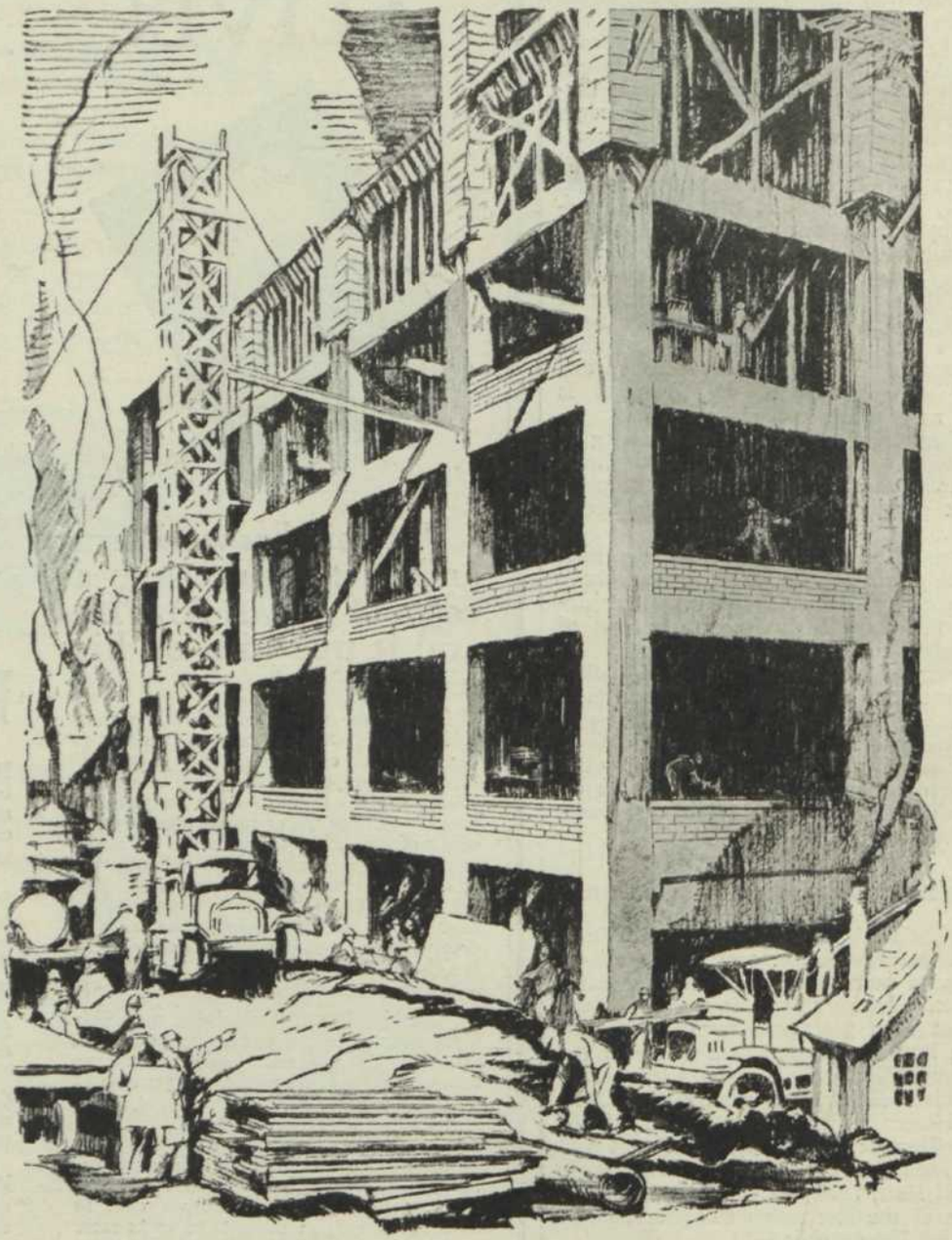
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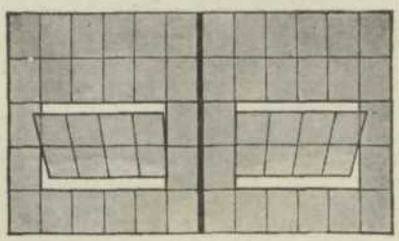
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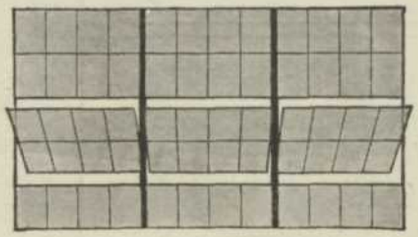
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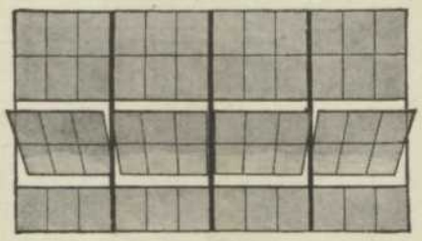
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TWO YEARS ago Alvan T. Simonds, president of the Simonds Saw and Steel Company of Fitchburg, Massachusetts, published a little card in response to requests from many business men for a list of books on economics. That first list of recommended books, drawn chiefly from his own reading, received a cordial welcome. In revising that list it seemed desirable to him to draw upon the knowledge and experience of others. To that purpose he invited suggestions from bankers, business men, editors, and economists.

The four groups included: Bankers—W. Randolph Burgess, J. E. Rovensky, James E. Kavanagh; Business men—Thomas E. Donnelly, Charles R. Gow, W. W. Kincaid, Richard A. Feiss; Editors—Richard J. Walsh, Merle Thorpe, A. W. Shaw, B. C. Forbes; Economists—A. W. Douglas, Ray V. Leffler, B. M. Anderson, Jr., David Friday, D. E. Burchell, Irving Fisher, R. B. Wilson, Homer B. Vanderblue, Warren M. Persons, H. S. Person, Henry H. Farquhar, W. J. Donald, T. N. Carver, Lee Galloway, N. R. Whitney, L. Gray, J. H. Friedel, Paul H. Douglass, William J. Foster, Carl E. Parry, W. I. King.

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THE WEALTH OF NATIONS, Adam Smith. Macmillan.

Elementary

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THE A B C's OF BUSINESS, McKee. Macmillan.

ECONOMICS FOR THE GENERAL READER, Henry Clay. Macmillan.

THE ECONOMIC DEVELOPMENT OF THE UNITED STATES, Lippincott. Appleton.

ELEMENTORY ECONOMICS, T. N. Carver. Ginn.

INTRODUCTION TO ECONOMICS, Turner. Scribners.

INDUSTRIAL ORGANIZATION, Keir. Ronald.

OUTLINE OF ECONOMICS (3d revised edition), Ely. Macmillan.

ECONOMICS (2 vols.), Fetter. Century Co.

THE STABILIZATION OF BUSINESS, Edie. Macmillan.

Advanced

PRINCIPLES OF ECONOMICS, Taussig. Macmillan.

PRINCIPLES OF ECONOMICS, Alfred Marshall. Macmillan.

INCOME IN THE UNITED STATES, National Bureau of Economic Research.

PROFITS, WAGES, AND PRICES, Friday. Harcourt, Brace, and Howe.

UNEMPLOYMENT AND BUSINESS CYCLES, McGraw-Hill.

THE FINANCIAL ORGANIZATION OF SOCIETY, Moulton. University of Chicago Press.

BANKING AND BUSINESS, Willis and Edwards. Harper and Brothers.

Special

THE CASE FOR CAPITALISM, Withers. Dutton.

MONEY, FOSTER AND CATCHINGS. Pollak Foundation.

AN APPROACH TO BUSINESS PROBLEMS, Shaw. A. W. Shaw Co.

HISTORY OF LABOR IN THE UNITED STATES, Commons. Macmillan.

THE A B C OF THE FEDERAL RESERVE SYSTEM, Kemmerer. Princeton University Press.

AGRICULTURAL ECONOMICS, Taylor. Macmillan.

Chips from the Editor's Work Bench

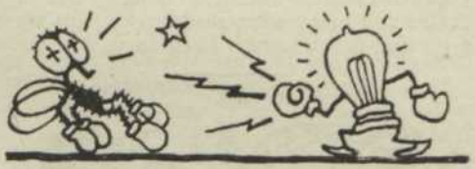
THE ARABS have had wide fame for their ability to break camp and move in silence. Longfellow's brief mention of their skill was sufficient to his day. But in our times the folding chair supplements the convenience of the collapsible tent. The Bedouin who has squatted atop an uncovered ant-hill in the open desert may now take his ease on higher seat.

Reports from Aden say that carpenters there are making seats to supply the market, but exports from Austrian manufacturers have made competition for the domestic chairs.

ICE CREAM sodas and other soft drinks have captivated the British taste. So report American consuls stationed in the Isles. Our information is that 3,000 soda fountains were installed last year, half of them of American make. Most of the fruit and sirup preparations come from the United States. But tea still rules the national favorite, and is not likely to be easily budged out of popular favor by colorful concoctions from this side the pond.

Here's how, John, and look to it that you do us reason in a cup of carbonated cheer from one of our fountains. We dassent go any stronger over here. And have a care that hands across the sea do not slip you an ice cream cone which requires a different technique from the soda in getting satisfaction from its substance.

Prosit!



ELECTRICITY is turned to a new use. Sentence of death has been passed on the all too common housefly by electrical engineers. A contrivance has been designed to receive current from the ordinary lamp socket. It is to be baited and affixed to a wall or some other place where flies gather. Only a fraction of a watt is required for a fatal shock, the engineers say.

A new device for fly extermination merits a new slogan. "Watt the fly" is in character with the reported progress, eh watt?

RELIGION is made more comfortable with the progress of business in contriving facilities for observance of its forms. Consider the Mahometan who is required to remove his footwear on entering a mosque. Ease of putting on and taking off his footwear holds a special importance for the Turk. Light galoshes seem to have met his need. They are easily slipped on and off, and by the Turk's recognition they have won a new market in Constantinople. Now trade follows closely on the heels of the Faithful.

"BALKAN prunes might improve" is a juicy morsel in the news from Belgrade. Not a chance, we think. A prune's a prune the world around, and no hocus-pocus with nature promises to transmute that plebeian of fare into an autocrat of the breakfast table. The Serbian prune is small and there is difficulty in obtaining large shipments



Their Future

Some thoughts on wise financial provision for your children

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You can make suitable provision for your wife in the same way. By making the trust company the custodian of that which you leave for her benefit as well as for the children, you will free your wife from money worries and protect her against the losses due to inexperience in financial affairs.

Ask a Trust Company

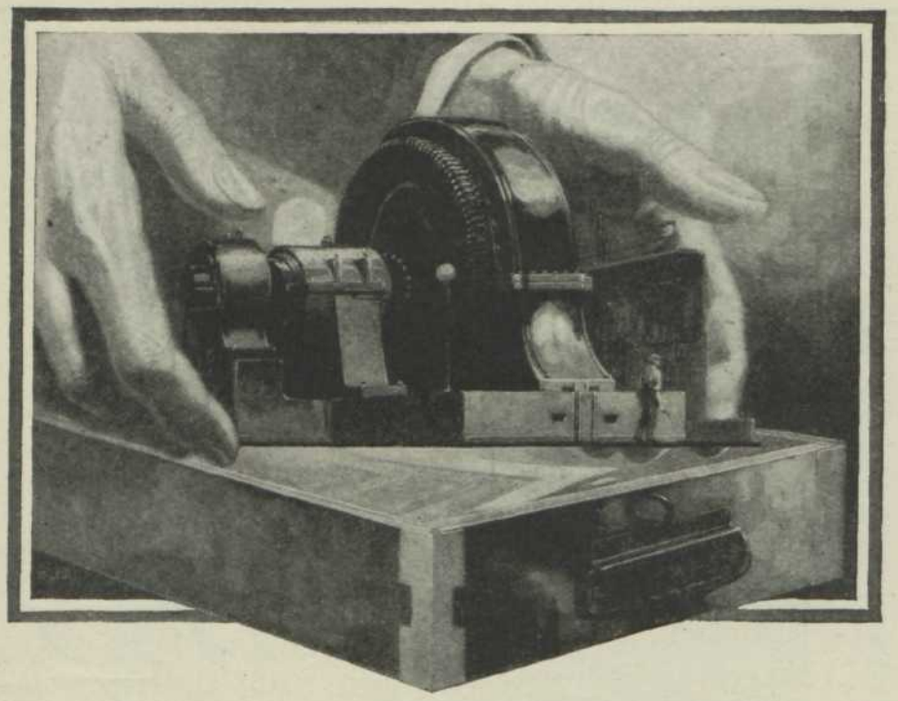
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of uniform quality. What of the present yield? Plum trees now become interrogation marks to give new aspect to the Balkan question.

Despite small size, the Serbian prune was well able to survive the buffetings of wind and tide—4,888 short tons were exported last year. From Trieste and Belgrade, 1,145 short tons of prunes valued at $142,529, were shipped to the United States. And France is looking for a big harvest of prunes, with imports of California prunes sharply reduced if the domestic crop keeps promise.

ROMANCE in the desert preserves its traditional trappings but takes thought of modern utilities in playing its conventional part. The flowing burnous of many an Arabian sheik conceals a vacuum bottle, reports Consul Davis. So, too, the caravans that go forth from Aden provide against thirst with an equipment of vacuum bottles. American vacuum bottles are displacing bottles of German and Japanese manufacture, finding favor over lower prices with superior quality, adds the consul. A slip 'twixt hip and lip is bad business in the desert, but a good bottle will hold its own in a fall.

And from Algeria comes word that more than one hundred tractors were sold during the first six months of 1923, with machines of British make in greatest number.

"POPCORN, fresh candied popcorn!" Whoever heard that cry at a bull fight? Probably no one. Popcorn does not seem an adequate shock absorber for a spectacle of blood and sand. Even so, a business man in Vigo, Spain, has set up a popcorn-vending machine bought in these States and now makes ready to test his wares on a bull-fight crowd. Luck to you, señor.



SPAIN and Iceland have made a trade treaty. The document specifies that Spain is to grant most-favored-nation treatment to dried codfish from Iceland, and Iceland is to exempt Spanish wines of not more than 21 per cent alcoholic content from import prohibition.

What a stand-off! Now the Spanish internal economy may be lubricated and padded with portions of cod-liver oil, and the cockles of the Icelandic heart may be warmed with drafts of Castilian vintage.

The elevation of Bacchus to equality with the sacred cod is like to seem heresy to folk up Gloucester way. Wine for codfish. We lean for explanation on the ancient aphorism that there's no accounting for tastes. But were we to choose? . . . Well, the thing just doesn't seem real.

THERE'S less light in Korea, says the Department of Commerce and then supplements its assertion with explanation that the use of kerosene calculated for each person for a year has fallen below a half gallon because of decreased buying power.

Korea received more than 7,000,000 gallons of kerosene and other illuminating oils in 1922, but a review of import returns discloses that the annual demand for kerosene has declined about 2,000,000 gallons from the re-

quirements for 1913. The increased use of electricity now holds promise of a wider illumination. Importations of electric light equipment rose in value from $39,000 in 1913 to $800,000 in 1921, the latest year reported.

AMERICAN-MADE kitchen utensils are ousting "made in Germany" ware from the shelves of Spanish housewives. Higher quality is favored over lower prices. We wonder what Spanish husbands think of the American rolling pin.

Over here it leads a double life. Once only a lowly cylinder for leveling the acclivities of fresh dough, it now takes time off from the kitchen to help cartoonists with their daily bread.

The hand that holds the rolling pin is like to rule the world. Give way, there, sceptres. Make room, on the national 'scutcheons!—give place to the good commoner, Rolling Pin! Is there no modern herald to blazon the significance and symbolism of the rolling pin, *couchant*, *volant* or *rampant* on a tonsure masculine?



NOW WE know what's to become of the farmer. The word is passed along that J. B. S. Haldane, an English scientist, predicts chemical synthesis of foods within 120 years to a degree that will rate agriculture a luxury, and mankind will be completely urbanized. A hard fate for the agriculturist, and a hard living for poets and artists if such there be in that distant day. And what of the gardens tilled by suburbanites and commuters? Ill fares the day when no seed catalogue may proclaim man's kinship with the soil.

> Chemistry thou art afoot,
> Take thou what course thou wilt.

But invitation to choice is only empty fealty to courtesy when meals hold a single course. If the doctor had his crystal in good kelter the folk who are up and about when his forecast falls due may as well take their calories from a needle. And who is to take old Judge Palate's place? "Dame Science," you say? Well, well, so it goes, so it goes. Poor old fellow, he made mistakes, but no one can hope to please all tastes.

SOMETHING is to be done about the dearth of bananas explained with syncopated variations in theater and cabaret. The vociferous refrain of song-pluggers has borne fruit. Nearly every one down in the El Hule district of Oaxaca, Mexico, is growing bananas. Considering the large number of trees planted it is estimated that production should increase to from 200,000 to 300,000 tons of fruit in the next few years, says our commercial attaché at Mexico City.

The banana, it seems, is delicate and easily discouraged with life in this world. In its impressionable youth it is exposed to thiclavia-basicola, and things like that. If the thiclavia-basicola gets a good grip, it's all up with the banana. But diseases with hard names do not deter the growers, and they are fighting the fungus enemies of the fruit with fire. By their works we shall know the fruit of their victory. An army with bananas! There'd be a sight to make those song writers change their tune!

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What Can Germany Pay?

WHEN Harold G. Moulton and Constantine E. McGuire prepared the text of "Germany's Capacity to Pay" (McGraw-Hill Book Company), they undoubtedly knew that an occasional cry of "pro-German" would be raised, but almost unanimously their studies have been accepted as a scientific effort to answer a debated question.

Let us not, however, undertake here to accept or to deny the conclusions which Prof. Moulton has reached in his researches for the Institute of Economics. Let us rather restate some of them and express our gratitude that they have been presented in a form so readable and so understandable.

This is the primary premise laid down by the authors:

> The total capacity of Germany to pay will be measured by the excess of her exports of goods and services rendered to foreigners over the imports of goods and the receipt of services from foreigners.

And to that premise they stick through thick and thin. Suggest to them that "A nation's capacity to pay is measured by the excess of annual production over annual consumption" and he retorts by saying that the excess is not necessarily in form to transfer to foreign countries. Much of it—most of it—may be in the shape of railroads, new buildings, highways—a dozen forms of wealth, but not of wealth that can go abroad.

So, too, of such suggestions as that Germany borrow in the United States or neutral countries to pay her reparation debts. Prof. Moulton puts them to one side as a shifting, not a meeting, of the situation. So, too, of the proposal to deliver corporate securities, for these are but promises on another form, and the payments can only be made in goods as before.

If we agree that the measure of Germany's ability to pay is the excess of her exports visible and invisible over her imports of both classes, a natural question is, "What are Germany's minimum import needs?" These the authors put at 14 billion gold marks. These 14 billion go for two chief classes of import: (1) raw materials and partly manufactured goods; and (2) food. Then the book goes on:

> It is obvious that she (Germany) must export 14 billion gold marks in order to pay for necessary imports. She will then be able to make reparation to the extent that she can muster goods in excess of 14 billion gold marks' worth of goods each year—without increasing imports above 14 billions.

* * * *

> According to the more moderate views now prevailing as indicated in both the French and London reparation proposals of January, 1923, a total of about 50 billion gold marks—1 billion a year for fifty years—constitutes the amount that Germany was then believed to be able to pay. Our own conclusion is that no one can say precisely what amount Germany can pay, because nobody knows whether German exports can be made to exceed German imports. But, if Germany is to pay 1 billion a year for fifty years, it is clear that her exports on the basis of 1922 values would have to average about 15 billion gold marks a year.

There is the nub of Mr. Moulton's argument, and you can't swing him away from it. He concerns himself in this book not at all with the political factors in reparations. If France wants a helpless Germany, that's one matter; but if France wants money, she can get it only by letting German exports rise above her imports.

Last month this magazine quoted Mr. Moulton's assertion that "implied in this (the making of reparation payments by increased exports) is a driving down of wages and production costs below the level of the world at large, in order that Germany may persistently undersell competitors in world markets." Which seems a good deal like saying to a man, "The only way to collect your bill is to let your competitor put you out of business."

Prof. Moulton does not let his view go unchallenged. In fact, he challenges it himself and raises this rhetorical question:

"Germany has, in fact, paid considerable sums despite the unfavorable trade and financial balance with other countries. Is there not something wrong, therefore, with the principle enunciated?"

Having propounded this question, Prof. Moulton answers it. Germany has paid large sums even though she had an international deficit rather than an export surplus. Much was payment in kind, a process which under the conditions prevailing could not go on indefinitely. Further payments were made through German property held abroad and the purchase of property in Germany by aliens. A surprising amount was paid by the speculative sale of paper marks. John Maynard Keynes figures that 3.5 billion gold marks were paid for Reichsbank notes from 1919 to 1922, inclusive, and that their nominal value was between 25 and 30 billions. All these means of payment, however, he regards as in their very nature temporary.

How much Germany has paid by these and other methods is a matter of wide disagreement, how wide it is interesting to note. The Allies officially admit the receipt up to the beginning of this year of only about 8 billion gold marks, while Germany reckons that she has paid some 40 or 50 billions, a discrepancy on a bill that needs some reconciling. Mr. Moulton's conclusion is:

> The tangible values surrendered by Germany to the Reparation Commission, as distinguished from the total credits to which Germany may or may not be entitled on the books of the commission in reduction of her capital debt, aggregate between 25 and 26 billion gold marks.

Mr. Moulton has an interesting discussion of Germany's present economic situation, outwardly but little damaged by the war. That is true even though a part of her equipment has passed into non-German hands. Her real trouble is in the upset international financial and economic system. He cites Switzerland as an interesting example:

> Consider Switzerland. Natural resources intact; population enlarged; capital goods increased; management improved; and with banking coffers overflowing with gold. Swiss economic conditions should leave nothing to be desired. The Swiss economic organization is, however, no longer properly articulated with that of the rest of the world. Before the war Switzerland exported visible luxuries and "invisible" scenery sufficient in amount to pay for her food, about three-fourths of which had to be imported. At the present time the people of Europe, at least, must curtail their purchases of Swiss luxuries, and they have more important uses for their money than the purchase of Swiss scenery. Meanwhile, the Swiss need for food is as great as ever. One must conclude, therefore, that Switzerland is in a precarious economic condition. All of the neutral countries, in fact, have economic resources in abundance; but these re-



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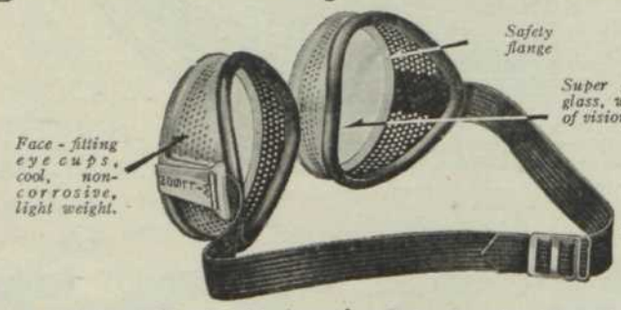
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sources are in considerable measure impotent because the general economic organization is out of joint.

We have touched only in barest outline a few of the main points which the authors make, giving the conclusions rather than the reasoning, but no one need hesitate to tackle "Germany's Capacity to Pay." It is possible for a reader to finish the book unconverted, but he is certain to leave it with a sense of gratitude for the clarity and simplicity of its language. W. B.

Foreign Trade Organization, by J. Anton de Haas. The Ronald Press Company, New York.

"Whatever virtue the present text possesses, accordingly, lies mainly in its making available for American students and others some of the wealth of material which exists in widely scattered places, and in many languages," Prof. de Haas writes in the preface to this new book on foreign trade. This book will offer a profusion of just such wealth to the seeker after knowledge regarding consular services since the time of King Amasis of Egypt (570-526 B. C., according to the book), or the documentary history of the Brussels statistical schedules, or chambers of commerce from the Dark Ages to date, or the industrial exposition from 1756 to date, or auction sales in Holland, or the European stock and produce exchanges, and some of the other landmarks and lighthouses of the public and private organization of international business.

The American reader of this book must enlarge his outlook beyond the horizon of our own American chambers of commerce and trade organizations and government service, and must take a look at foreign experience down through the ages.

He must also enlarge his vocabulary to consider the "social," "cultural" and "agglomerative" factors in plant location, the services of "functional middlemen" and such things as "pure materials (meaning thereby materials which become in their entirety a part of the finished goods)."

Job Analysis and the Curriculum, by Edward K. Strong, Jr., and Richard S. Uhrbrock. Williams & Wilkins Company, Baltimore.

A study of executive work, more particularly in the printing business. Specifications for nineteen jobs from president to stock room foreman are given. Chapters are devoted to the best methods of teaching men who may fill such posts. Much of it worked out at the Carnegie Institute of Technology. The editor says of this volume: "It presents a successful method for an objective determination of the content of a technological and vocational curriculum."

Unemployment and Our Revenue Problems, by John Sturgis Codman. B. W. Huebsch, Inc., New York.

The author finds in higher taxation on land a solution for most of our industrial problems, including unemployment. More than that, he sees in such a tax on German land, mines and water-power a means of paying the indemnity. And like so many of our modern economists, he proves it by bringing Robinson Crusoe up to date.

Industrial Democracy, by Glenn E. Plumb and William G. Roylance. B. W. Huebsch, Inc., New York.

Contains in definite form the late Glenn E. Plumb's plans for the securing of "social justice" through "industrial democracy." The chapter on "the reorganization of industry" is, we assume, the accepted statement of "the Plumb plan."

Federal Income Tax Laws, by Walter E. Barton and Carroll W. Browning. John Byrne & Company, Washington, D. C., 1923.

The federal income tax laws of 1921, 1918, 1917, 1916, 1913 and 1909 arranged in parallel columns by corresponding sections and annotated by citation of cases. Included are all earlier income tax laws from 1861 on.

Some Recent Federal Trade Cases

THE use of trade names on goods which do not accord with the established significance of their marks or brands is again condemned by the Federal Trade Commission in a number of new cases.

THREE concerns dealing in silver-plated ware, cutlery and similar wares are charged with selling and offering for sale large quantities of silver-plated ware on which they had stamped or impressed the words "Sheffield," "Sheffield Plate," and other similar designations including the name Sheffield. The plated ware so marked, the commission contends, was not manufactured in Sheffield, England, or of material made in Sheffield, and is therefore misleading to the general public, and unfair to competitors who deal in the genuine silver-plated ware.

MANUFACTURING and selling men's shirts made from materials made in the United States, and labeling the shirts so made "English broadcloth," is held to be unfair competition in a complaint issued against two shirt manufacturers of New York City. A practice of the sort described in the complaint, the commission charges, has a tendency to mislead and deceive the trade and the general public into the erroneous belief that shirts so labeled are manufactured of English broadcloth imported from England.

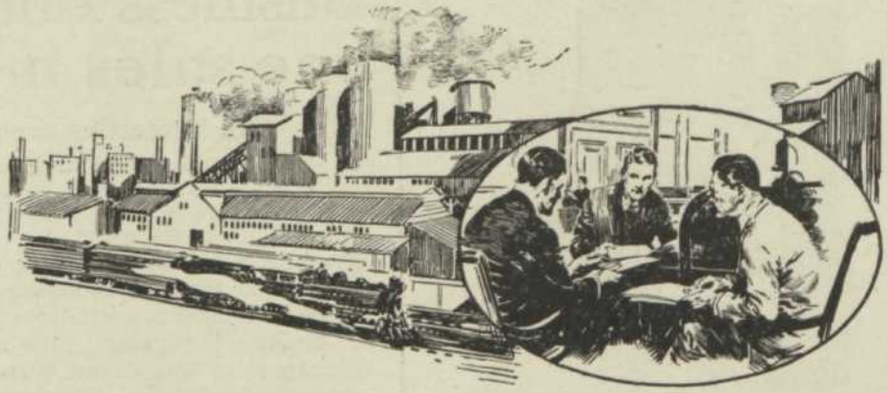
This article outlines some of the charges, findings and orders issued by the Commission in consideration of complaints proceeding from trade practices in connection with:

Butter	**Paint**
Candy	**Shellac**
Glue	**Shirts**
Hosiery	**Silver Plate**
Tailoring	

A DECISION directed to two paint dealers doing business in Detroit and Cleveland prohibits them from using the legend "U. S. Quality Paint" in connection with a product not manufactured for the United States Government or according to government specifications. One of the men, the commission explains, manufactured a house paint and at the suggestion of the other man labeled the paint with the words "U. S. Quality Paint." The paint so labeled, continues the commission, was then sold and delivered in quantities by the two men, acting in concert, to retail dealers in various states dealing in so-called Army and Navy goods, but carrying also stocks of other merchandise. The paint under consideration, the findings in the case declare, was not made for the United States Government nor according to any government specifications.

A TOLEDO candy company is charged with manufacturing chocolate-coated candy bars having the size and shape of well-known ice cream bars and with distributing them in containers bearing a legend which includes the words "Chocolate Ice Cream Bar." That practice misleads the general public and is unfair to competitors, asserts the commission in making its allegation that the bars do not contain ice cream.

SIMULATING the trade mark of a competitor is charged by the commission as unfair competition in a complaint issued against a New York company. The company is a manufacturer of glue used in the millinery trade and according to the commission's citation, has adopted the name "G L U" for its product. That name, the commission asserts, closely resembles the trade-mark "U-Glu" which has long been used by a competing corporation. Further allegations are to the effect that the company named in



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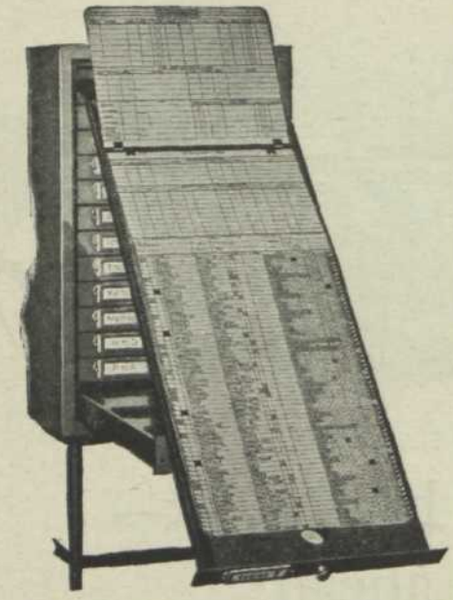
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Business Blindness—and how one sales manager cured it

An interesting account of a big sales executive who discovered that he couldn't see all the facts.

by Carl Edgington Widney

DAVIES, whose real name cannot be divulged, admitted that he had been blind as a bat. He called it "business blindness." "The most tragic part of this disease," Davies exclaimed, "is that you think you see and don't. I thought I could tell just what each customer of ours was doing, what and how much he was buying from us, whether his orders were increasing or decreasing, and so on down the list of all the facts that I would need to know to make our business a big success."

President Jolts Him

It was a jolt to Davies to learn that he had eyes to see and wasn't seeing. What added to his discomfiture was the fact that it was the president of his own company who gave him the jolt.

The president happened to interest himself in the status of Bennett Bros. Company whose account had been on their books for many years. He went to Davies' office.

"I want to know offhand," he said, "how much Bennett Bros. bought from us last year, how much last month, what items they bought most heavily of, what items, if any, they bought none of. Also how this year's figures compare with those of last year."

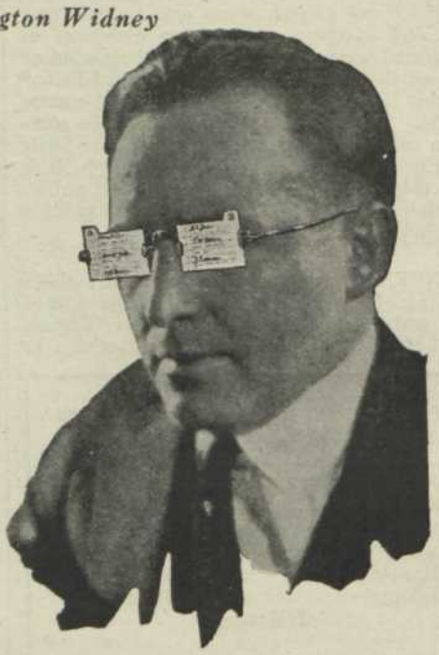
Davies claims that he never turned a hair. Of course, he could give such information and with such speed as would impress his superior. His buzzer brought in a filing clerk. Instructions were given with incisiveness.

His Eyes Didn't See

"I admit," said Davies, "that my confidence began to weaken after a minute or two longer than it should have taken to bring me the records. She explained her delay by saying that they had been misfiled.

"Sure, the facts were all there in apple pie order, but Bennett Bros. *hadn't ordered a cent's worth of stuff for 90 days, and I didn't know it!* The facts were there, but I couldn't see them. I was blind; business blindness, if you please.

"Well, you can imagine the situation. I was sales manager, yet here was the president making me look like a figure head. He didn't say much. He didn't have to. I got it all."



Throws Off His Blinders

What Davies did is what every sales-manager can do to the immediate advantage of himself and his concern. He threw off his blinders—business facts on record forms that are hidden from view. He put in a system using his present cards just as they were, and which were so arranged that these vital facts were constantly flashed to his eye. And if you could know Davies' real name you could better appreciate his success.

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When a customer stopped buying, when one of his items didn't move, when a good risk went bad, or a bad risk became good, Davies knew it at once.

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the complaint used labels bearing designs and characteristics similar to those adopted by the U-Glu corporation. The similitude of words and designs on labels, the commission believes, has the tendency to mislead and deceive the millinery trade into the erroneous belief that the company's glue is the same as that manufactured by the U-Glu corporation.

THE commission keeps a watchful eye on shellac products. A concern in Stamford, Connecticut, is charged with advertising and selling a product not composed wholly of genuine shellac gum dissolved in alcohol under the brand and label of "Mongol Shellac" without indicating in any way on the label that the product contains any other gum ingredient or substitute for gum than genuine shellac gum.

TWO hosiery companies will have opportunities to convince the commission that their trade practices accord with the commission's ideas of business ethics. A Philadelphia company is charged with misbranding in the exploitation of its product. The commission alleges that the company manufactured certain hosiery, consisting party of silk and partly of a vegetable fibre, and sold and offered it for sale in containers bearing labels upon which appeared the words "Special Thread Silk Hosiery" or other phrases representing the hosiery to be composed of silk without disclosing that it was in part composed of a material other than that derived from the cocoon of the silkworm. Other misleading designations, the complaint charges, used in advertising the hosiery so labeled were "Silk," "Special Silk," and "Ladies' Plated Silk Hose." The commission maintains that misbranding of the sort described is misleading to the public, and unfair to competitors who truthfully designate the materials of which their products are made. A hosiery company of Worcester, Massachusetts, is charged with misleading the public by the slogan "From Mill to Consumer" in conjunction with its trade name on catalogs, order blanks and other printed matter. According to the complaint, the company neither owns nor operates any hosiery mill or factory, and does not manufacture the hosiery sold by it. The use of the word "mill" in its advertising matter, it is contended, is an unfair method of competition, inasmuch as the public is led to believe that the middleman's profit is saved in buying the company's product.

CHARGES that agents and solicitors of a Washington tailoring company made misrepresentations in obtaining customers for the company have been issued by the commission. To the commission's way of thinking, the company's agents in soliciting orders represented that the company forms groups of forty-eight customers each and then selects one customer from each group each week to receive a suit without further payments until all the customers have received suits. The complaint asserts that the company's alleged failure to make good the representations of its agents constitutes an unfair method of competition.

AN Illinois creamery company's methods of applying its direct shipment plan have drawn a complaint from the commission. The company manufactures butter and is said to buy cream and butter fats by a so-called direct shipment plan. Under that plan the farmer in shipping cream or butter-fats uses his own containers, to which are fastened detachable tags bearing shipping instructions to the transportation company. In the complaint the company is charged with attaching to the farmers' containers a metal tag directing the farmers to ship the containers when full to the company. The tags are welded or soldered on the containers and cannot be readily detached or obliterated, the commission explains. In the company's practice the commission sees a tendency to prevent the farmer from shipping his product to the company's competitors in cans that have been tagged by the company, thereby limiting the possibilities of the farmer in choosing his own customers.

Does Clean Journalism Interest You?

SENDING his check in payment for advertising in The Christian Science Monitor, Col. William F. Thorpe, superintendent of Thorpe Academy, Lake Forest, Illinois, writes:

"We appreciate the good work that The Christian Science Monitor is doing and are glad of this opportunity to uphold good, clean journalism. The Monitor is the only paper that we permit our boys at Thorpe Academy to read, as we are attempting to keep the blaring red and yellow journals away from these boys."

In many schools, and many homes, The Christian Science Monitor is welcomed daily, because it publishes the clean, constructive, really worthwhile news of all the world, together with literary, artistic and critical articles of permanent value.

The value of the Monitor as an advertising medium is well known to the hundreds of manufacturers, the thousands of retail merchants, whose advertisements appear in its columns.

One year's subscription, $9.00. Trial subscription, six weeks, $1.00. Sample copy on request. Advertising rates and information as to circulation may be had at any Monitor advertising office —Boston, New York, London, Chicago, Cleveland, Kansas City, Los Angeles, San Francisco, Seattle.

The Christian Science Monitor

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Eat and Be Well!

IF you want to keep well—up to "top notch"—strong, healthy and efficient, you must know how and what to eat. The usual "self prescribed" dietary has many faults which become a positive menace to increased health and energy—due to the fact that certain vital food elements are generally lacking in the diet.

"Eating for Efficiency"

is a condensed set of health rules—many of which may be easily followed right in your own home, or while traveling. You will find in this little booklet a wealth of information about food elements and their relation to physical welfare.

Control Your Weight
Without Drugs or Tiresome Exercises

Effective weight control diets, acid and bland diets, laxative and blood building diets; and diets used in the correction of various chronic maladies.

The book is for FREE circulation. Not a mail order advertisement. Name and address on a card will bring it without cost or obligation.

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434 Good Health Building,
Battle Creek, Michigan.

Please send me your FREE book on diet—
"EATING FOR EFFICIENCY."

Name.....

Address.....

Government Aids to Business

Iron Furnaces May Use Oxygen

Revolutionary findings on the use of oxygen and oxygenated air in blast-furnace practice are included in a report made to the Department of the Interior by a special committee appointed by the Bureau of Mines to study the problem of the application of oxygen or oxygenated air to metallurgical and allied processes. The committee's conclusions may herald sweeping changes in the metallurgy of iron by which production costs could be greatly decreased, and quantities of low-grade ore and smelting fuels now regarded worthless be made available for commercial use.

Explaining the desirability of reducing heat and metal losses in earlier processes, the bureau says that it has been necessary in the production of 1 ton of pig iron to pass 3 tons of inert nitrogen through a blast furnace. The elimination of heat and metal losses by the substitution of oxygen, or a mixture of oxygen and air, has long been considered, but has been held impracticable because of inability to produce oxygen in adequate quantities at a cost low enough to make it available to industrial use.

Large oxygen manufacturing plants could be built to serve metallurgical purposes directly, the committee believes, and they should be capable of delivering oxygen at a cost of not to exceed $3 a gross ton. The whole field of nonferrous metallurgy would be susceptible to the application of a process for producing oxygen cheaply, the committee points out in its report, and promising possibilities are also seen in the application of oxygen to the manufacture of artificial gas.

The findings of the committee are presented in Serial 2502, "The Use of Oxygen or Oxygenated Air in Metallurgical and Allied Processes," which may be obtained from the Bureau of Mines, Washington, D. C.

A New List of Business Organizations

A revised and enlarged edition of "Commercial and Industrial Organizations in the United States" has been prepared by the Department of Commerce, and is now ready for distribution. The new edition contains a list of more than 11,000 organizations of local, state, national and international character, indexed for quick and convenient reference. The list of organizations includes recent changes and additions, together with the names of the secretaries of the associations. The directory has been revised five times since 1913, the year in which it was first published.

Copies of the directory are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., or from any of the district or cooperative offices of the Bureau of Foreign and Domestic Commerce, at a price of 20 cents.

Labor Laws of 1922 Ready for Reference

Labor laws enacted during the year 1922, with the exception of workmen's compensation laws, are included in Bulletin No. 330, issued by the Bureau of Labor Statistics. In announcing publication of the bulletin, the bureau explains that 1922 was an "off year," and that only eleven state legislatures held regular sessions in the even years. In addition to those states, the Philippine Islands and the national congress, acting for the Federal Government and the District of Columbia, contributed new labor legislation.

Of notable importance in the legislation are the statutes affecting the employment of children, for that subject included a preponderant part of the total labor legislation reported during the year. The bureau points out that in proportion to the laws already in effect, there was significant activity with regard to the statutes fixing the number of men that should form train crews for the different classes of railway service. The activity in that direction was in continuance of the trend which became apparent in 1921, when the general course of legislation turned away from laws fixing the absolute number of men and left the decision either specifically or by implication in the hands of the public service commissions, or to agreement between the parties directly concerned.

The hours of labor had consideration with the result that South Carolina now has a 55-hour week as a maximum in textile mills instead of 60 hours; and in Kentucky a law penalizes any employer using daylight saving or any other than standard time unless that time is adopted by state authority. South Carolina has attempted the establishment of a compulsory arbitration system for street railway service, the award binding both parties if one of them has requested arbitration.

The bulletin includes a cumulative index covering the entire series of labor legislation bulletins since the basic report No. 148, which presented labor legislation in existence in 1913.

Calibration of Meters

Measurements and observations are to be made at the plant of the Peoples' Gas Light and Coke Company, Chicago, in connection with the study of calibration of large-volume gas meters begun by representatives of the American Gas Association and the Bureau of Standards. At present the bureau's part in the work is the making and testing of instruments which will be needed by the association's representatives in making test comparisons.

Carburetor Adjustments Save Gas

Exhaust gases from motor trucks used by the government fuel yard at Washington when analyzed by the Bureau of Mines showed that a substantial saving of gasoline could be effected through periodical adjustment of the carburetors. The trucks ranged in capacity from 2½ to 7½ tons. Tests were made by means of a portable carbon dioxide indicator. The adjustment of carburetors by analysis of exhaust gas, the bureau explains, is based on the fact that the carbon dioxide in the gas is a direct indicator of the air-fuel ratio and completeness of combustion.

Also, the air-fuel ratio and completeness of combustion tell whether the carburetor is properly adjusted for maximum power and gasoline economy. Other conditions remaining constant, the mileage obtainable varies as the percentage of carbon dioxide in the exhaust gas and air-fuel ratio. Carburetor adjustments made in the bureau's experiments gave increased efficiencies as high as 22 per cent over a period of a month. In all but one case the carburetors were found to be adjusted too "rich" for maximum power and economy.

Details of the tests are presented in Serial 2487, which is obtainable from the Bureau of Mines, Washington, D. C.

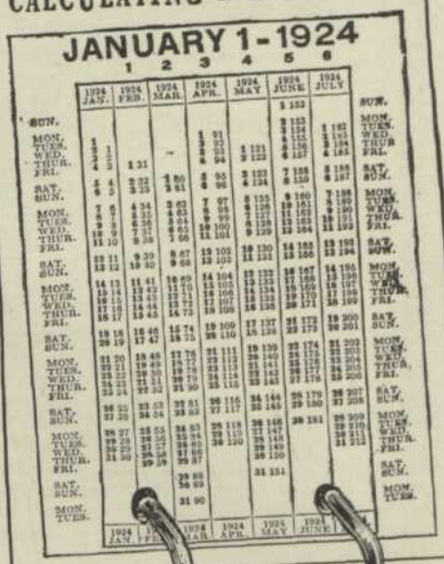
Adjustment of Automobile Headlights

To obtain information on the adjustment of automobile headlights, the Bureau of Standards made tests of 400 cars operated in the District of Columbia. Checking the results of the tests against the Illuminating Engineering Society's specifications as to intensity and distribution of light, the bureau found that only 5½ per cent of the headlights were in good condition.

In directing its activities in behalf of better adjustment of headlights in the city of Washington, the bureau has included the adjustment of headlights by dealers in new and used cars; cooperation with motorists' associations with the object of installing adjusting screens in garages; cooperation with the safety council in obtaining

No Office Complete Without a Liberal Supply of These Time-Savers

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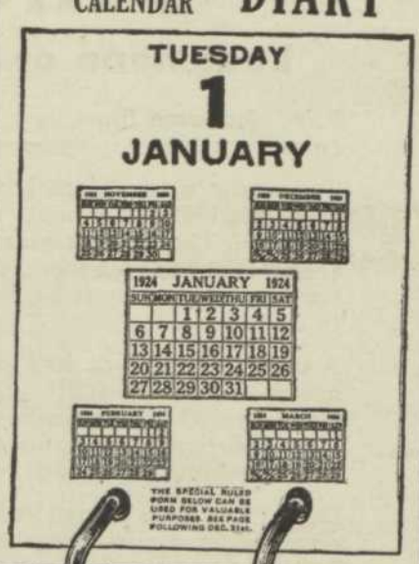


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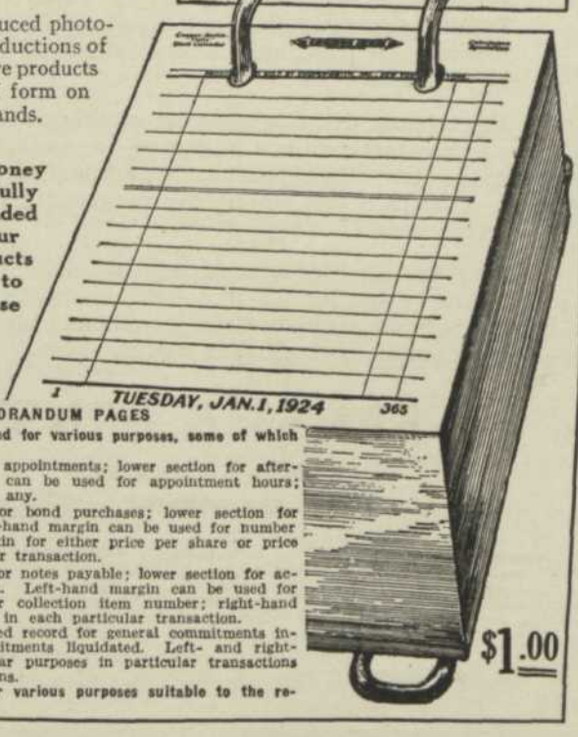
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The ruled memorandum page can be used for various purposes, some of which are mentioned below.

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2.—Upper section can be used for stock or bond purchases; lower section for stock or bond sales, or vice versa. Left-hand margin can be used for number of shares or of bonds; right-hand margin for either price per share or price per bond or total value of the particular transaction.

3.—Upper section can be used for accounts or notes payable; lower section for accounts or notes receivable, or vice versa. Left-hand margin can be used for either account number, ledger folio, or collection item number; right-hand margin for particular amounts involved in each particular transaction.

4.—Upper section can be used as an itemized record for general commitments incurred; lower section for general commitments liquidated. Left- and right-hand margins can be used for particular purposes in particular transactions recorded in either upper or lower sections.

Our memorandum page can be used for various purposes suitable to the requirements of diverse lines of business.

WHEN DOES A MATURITY FALL DUE IF INSTRUMENT IS DATED JANUARY 1, 1924, AND DUE AS FOLLOWS:

QUESTION	ANSWER
1—30 days from date?	Thurs., Jan. 31st, 1924
2—70 days from date?	Tues., March 11th, 1924
3—90 days from date?	Mon., March 31st, 1924
4—1 month from date?	Fri. Feb. 1st, 1924 (31 days)
5—3 months from date?	Tues., April 1st, 1924 (91 days)
6—4 months from date?	Thurs., May 1st, 1924 (121 days)

Our Daily Desk Calendar and Diary is the result of our concentrated efforts to improve upon modern loose-leaf desk calendar diaries; and, consistent with our usual thoughts along calculation lines, we have produced the articles here shown.

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To avoid the inconvenience of maintaining charge accounts for small amounts REMITTANCES WITH ORDERS WILL BE APPRECIATED in instances where orders amount to less than $2.00.

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$1.25 366 pages of calculations. 366 special ruled memo. pages. One year's assurance of accuracy in the computation of elapsed time.

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PRICE

Lodestone or Millstone?

Price, for some firms, is a magnet that attracts trade; for others, a millstone that sinks the business.

Too many houses, when business slackens, curtail production and raise prices to cover the mounting overhead. They lose their market to those who have the foresight to seek more efficient methods—with the courage actually to *lower* prices and the energy to force sales.

A plant operating at 60% of its capacity can not afford to consider 100% of its fixed charges and other invariable expenses as the cost of production. Unearned burden, a part of the cost of doing business, should not be included in the cost of the product.

Even those firms having little competition, can increase sales by reducing prices. Price reduction stimulates consumption and broadens the market to include new purchasers who would not buy at the higher price.

Price based upon actual cost of production under efficient methods is a lodestone—a magnet. Price based upon cost of production plus unearned burden is a millstone. One means progress; the other, retrogression.

Sound methods of Cost Accounting make it possible to apply burden as it should be applied. Such methods also disclose the weaknesses and wastes inconsistent with efficient management.

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WASHINGTON	KANSAS CITY	CINCINNATI	BALTIMORE	DENVER
	SAN FRANCISCO	MILWAUKEE	LOS ANGELES	

BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

Our World Trade—January to June, 1922.
Free Zones—What They Are and How They Will Benefit American Trade.
International Credits—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.
The Railroad Situation—Statement of Secretary of Commerce before the Interstate Commerce Commission.
Overhead Expenses—A Treatise on How to Distribute Them in Good and Bad Times.
Depreciation—A Treatment on Depreciation and Production.
Why a Merchant Marine—Reasons why privately owned merchant marine is a national necessity.
Commercial Arbitration—Statement of the field of arbitration and draft of plan.
Perpetual Inventory or Stores Control—How to keep investment in materials and supplies down to the minimum consistent with efficient operation.
National Obligation to Veterans—The costs of war borne by the States and the government.
Treaty Ratification—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.
Merchandise Turnover and Stock Control—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.
Analysis of the Senate Bonus Bill—Outline of provisions with estimate of cost.

CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON

publicity on the necessity of headlight adjustment, and work with enforcement officers for proper enforcement of the local regulations.

The bureau has also been in communication with factories to learn the methods used in adjusting the headlights of new cars. Important help can be given owners, the bureau believes, through inclusion of information on the adjustment of headlights in the instruction books provided with new cars.

"Invisible" Items Affect Trade Balance

A comprehensive investigation of the volume of "invisible" exports and imports for the year 1922 has been made by the Department of Commerce. The work was undertaken to disclose the magnitude of the "invisible" items, including the movement of capital, and the movement of interest, remittances of immigrants, tourist expenditures abroad, ocean freights and the like, because they now dominate the balance of trade from merchandise account.

Emphasizing the importance of the investigation, the department says:

> A full comprehension of the invisible items and their approximate value is not only of profound importance in assessing our international balance sheet, but no sound conclusion can be made concerning the effect of foreign trade movements upon our credit structure, or upon the ability of foreign countries to purchase our commodities or to pay their debts, or upon exchange rates, or upon the movement of gold, or the ultimate trend of price levels compared with those of other nations, without some comprehension of our full balance sheet including the invisible items.

The report of the department's investigation is designated "Trade Information Bulletin No. 144, The Balance of International Payments of the United States in 1922." Copies may be obtained on application to the Department of Commerce or to its district or cooperative offices.

Reclaimed Rubber and Tire Abrasion

The effects of various percentages of reclaimed rubber in the material used for automobile tires are to be determined by the Bureau of Standards. A series of service and laboratory tests will be made to determine the relative resistance to abrasion of tires having various percentages of reclaimed rubber in the tread stock.

To make the tests, the bureau has obtained fifty cord tires with their treads made up in 4 sections, containing 0, 10, 18, and 25 per cent of reclaimed rubber. Forty of the tires will be tested on delivery cars used by the Post Office Department and operated on different types of roads. Laboratory abrasion tests of the 4-tread stocks will be made with machines of four different designs. The results of the tests made with each machine will be compared with the results of road tests and on that comparison as a basis will be selected for future use the type of machine which gives the best results.

Motor Truck Manufacture in Pictures

The latest addition to the series of industrial motion picture films prepared by the Department of the Interior through the Bureau of Mines is "The Story of the Motor Truck," made with the cooperation of the General Motors Truck Company. The sequence of truck manufacture is presented in three reels, and care was taken to show by "close-ups" many of the delicate operations necessary in machining some of the parts. Moulding and forging operations are also shown in detail. Animated photography was used to give a clear understanding of the operation of the motive parts of a truck. A pictorial comparison of the truck parts with those of a passenger automobile is also presented in the film.

Copies of the film desired for exhibition by

educational and civic organizations, may be obtained by addressing the Department of the Interior, Bureau of Mines, Pittsburgh, Pennsylvania.

Behavior of Steels Under Carburization

An investigation of the carburization of steel is in progress at the Bureau of Standards. The carburization of steel presents a problem of great importance to the automobile industry, and the bureau's study was begun at the suggestion of a group of metallurgists identified with the industry. Some commercial metallurgists have contended that the initial quality of a steel is a considerable factor in the results obtained in carburization practice, and the bureau's investigation is specifically directed toward determination of the exact influence of the quality of steel.

The bureau has obtained specimens of steels which gave satisfactory results in a carburizing process, and of steels which gave abnormal results when subjected to the same carburizing process. The samples are now in preparation for the tests.

Lignite Char Made in Special Oven

Lignite is changed to a substance with heating properties similar to anthracite coal when carbonized in an oven developed by the Bureau of Mines. Lignite char, the product of the oven, should be available, the bureau believes, in the northwestern states to meet any severe shortage of hard coal.

It is estimated that 1,151,290,000,000 tons, nearly one-third of the nation's coal resources, are lignite. Of that lignite, 964,000,000,000 tons are in North and South Dakota and northwestern Montana, a region, says the bureau, which has "a rigorous winter climate, and which annually brings in large tonnages of anthracite and bituminous coal, with an average railway haul of 1,000 miles."

Development of suitable grates for the utilization of lignite char has also had the bureau's consideration through experiments.

Safety Instruction for Miners

Government instruction in safety methods of mining, rescue and first-aid work now reaches 12,000 coal miners. The Interior Department now maintains ten mine-rescue stations and ten safety stations throughout the mining regions to assist in rescue and recovery operations. Automobile rescue trucks, also maintained by the department, have facilitated rescue work and the instruction work of mobile training units in regions not easily accessible by rail.

In addition to training the miners, the Government sends out engineers to investigate all coal mines in which disastrous explosions or fires have occurred. Preventive measures are suggested to mine operators at the end of the investigation.

Sheet Glass Strength Under Center Loads

Determination of the strength of sheet glass under hydraulic loading in frames has been made by the Bureau of Standards with important conclusions. Thin glass, the bureau found, gives a strength very high in proportion to its thickness, but the strength is rapidly reduced with decrease in thickness, determinations having been made for glass from 1/10 to 1/4 inch thick. Also, the bureau discovered that glass, when tested in frames and loaded in the center, shows a strength almost comparable with that which it would show if acting as a beam supported on two ends only.

Only one size of sheet glass was used in making the tests, which are to be repeated on sheets of various sizes to determine whether the size has any effect on the strength values obtained from the first sheet tested.

When American Products Go To Market



YIELDS of the soil and of the machine sent to strategic New York markets—produce, fruit, poultry, dairy products and a host of manufactured goods for both domestic and foreign trade—the marketing of all these is facilitated by the banking activities of this institution.

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Because of the patented automatic regulation, no matter how cold the night may be, your garage is always warm in the morning—your car warm, dry, ready to start.

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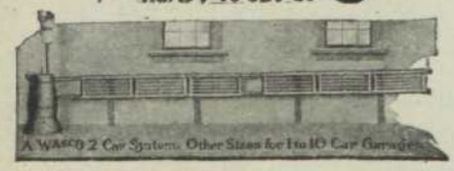
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Big business is now standardizing upon Globe-Wernicke Filing Equipment.

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Save expenses and taxes by organizing on the popular, COMMON LAW plan under a pure DECLARATION OF TRUST. No experience required to fill in DEMAREE STANDARD FORMS, issue shares and begin doing business at once. Genuine DEMAREE FORMS are nationally known, approved by attorneys and utilized by successful concerns throughout the United States. Send for large, free pamphlet (D-14) containing valuable information that you may need. C. S. DEMAREE, legal blank publisher, 708 Walnut, Kansas City, Mo.

News of Organized Business

THE QUESTION of a proposed national forestry policy has been submitted to a referendum vote of the organizations in the membership of the National Chamber.

The importance of the question was recognized by the board of directors of the National Chamber, and in accordance with the procedure set out in the by-laws the board made provision for the appointment of a special committee to consider the elements which should constitute a national forestry policy, and to submit a report with recommendations.

On the committee were: David L. Goodwillie, chairman, Chicago, member, board of governors, National Box Association and officer of forestry organizations; Hugh P. Baker, New York, secretary-treasurer, American Paper and Pulp Association; Junius H. Browne, New York, vice-president, Pacific Lumber Company; Henry J. Drinker, Merion Station (Pa.), member, Pennsylvania State Forest Commission; John Fletcher, Chicago, vice-president, Continental and Commercial National Bank; W. B. Heinemann, Wausau (Wis.), president, B. Heinemann Lumber Company; Charles S. Keith, Kansas City, president of lumber companies operating in Louisiana, Texas and Oregon; F. C. Knapp, Portland (Oreg.), president, Peninsula Lumber Company; Charles F. Quincy, New York, president, Q. and C. Company, manufacturers of railroad supplies; Harvey N. Shepard, Boston, president, Massachusetts State Forestry Association.

To supplement the judgment established through discussions of collected material at their meetings, members of the committee traveled widely through the northwestern states to get first-hand information from persons who were in active contact with forest problems. The committee's knowledge and observation in the direction of its purpose were then committed to its report to the Chamber's board of directors. The board ordered the report submitted to a referendum vote, and the findings and recommendations of the committee, together with arguments in the negative, are included in a 42-page pamphlet for presentation to the consideration of member organizations.

The committee recommended that:

The federal government should for protection of headwaters of navigable streams and to the extent permitted by existing law, acquire, reseed, and replant waste lands on which reproduction of forest growth cannot be obtained by natural means, with discretion in the Secretary of Agriculture to prefer lands in states which provide at least an equal amount of funds for acquisition of such lands.

States and municipalities should acquire, reseed, and replant the remainder of such waste lands.

Congress should enact new legislation with reference to other classes of timberland, to make provision for cooperation of federal government, state governments, and timber owners in protection and reproduction of timber.

Such new federal legislation should condition use of federal funds upon the state:

Having a forestry or conservation commission;

Formulating a code of forest management acceptable to the federal Department of Agriculture and aimed to secure continuous forest production, observance of the code to be obtained through voluntary agreements entered into between the proper public authorities and the land or timber owners of considerable areas within the state;

Maintaining adequate protection of timberlands from fire, with funds coming from state and private sources at least equal to federal funds used for this purpose.

Basing taxation of growing timber upon the principle of the yield tax, with reasonable uniformity among the states in such taxation.

Congress should create a national forest council to have functions of advice to administrative officials and a membership of nine, one to be the federal forester and the others to represent views of public, timber men, and foresters, members of the council to serve without remuneration.

Congress should provide for a national survey and inventory of forest resources.

Congress should increase the federal appropriation available for protection of timber lands against fire.

Congress should provide for enlargement of federal research and experiment in forest products.

The purpose of the referendum is to ascertain the opinion of the commercial organizations of the United States, not to obtain the approval of the recommendations made in the report. Only the vote of the member organizations can commit the Chamber of Commerce of the United States for or against any of the recommendations submitted by the committee and until that vote is taken the report rests solely on the authority of those who have signed it.

New Foreign Commerce Guide

A REVISED and enlarged guide to American sources of information on foreign trade is presented in the second edition of the Foreign Commerce Handbook issued by the Foreign Commerce Department of the National Chamber. The sources of information are given under eighty-nine paragraph headings, alphabetically arranged.

Also included in the handbook is the program of work outlined for the Foreign Commerce Department Advisory Committee. The work for the year 1923–1924 comprehends an analysis of foreign trade conditions as a basis of reports regarding significant features and outstanding needs of the foreign trade situation; special attention to the work of American chambers of commerce in foreign countries in the promotion of trade in Latin-America and the Near East; consideration of the problem presented by the increasing number of commercial organizations in the United States for the promotion of trade between this country and individual countries or groups of countries in Latin America.

Consideration is to be directed to the proposed amendments to the China trade act, the efforts to obtain a simpler and less expensive international passport regime, the effort at simplifying customs formalities at the Geneva Conference, and exemption from income tax of incomes derived abroad and not remitted to the United States. The committee is to give attention to some phases of pending legislation related to the subject matter of its program.

Legion and Chamber Confer

REPRESENTATIVES of the American Legion and the Chamber of Commerce met in Indianapolis and in Boston in the first of a series of conferences intended to give a clearer mutual understanding of the position of each organization with regard to questions of national concern, and to ascertain the possibilities of cooperation in the direction of common interests.

Consideration of the policies of both organizations established that they are fairly agreed on the general principle of private ownership and operation of a merchant marine, on the principle of a ship subsidy, on aviation questions, on the reclamation of waste lands in behalf of disabled veterans, and in general with regard to the participation of the United States in a permanent court of international justice. Discussion of immigration problems disclosed that the Legion favored total exclusion of aliens for five years, and that the Chamber advocated a selective basis of restriction. Additional consideration will be directed to immigration questions.

The conferences were arranged at the suggestion of Commander Owsley of the Legion. In July he addressed a letter to President Barnes, suggesting the appointment of a representative committee from the two organizations to meet

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If all these people are needed just to make the outer shell of each receiver, think of the hundreds that are engaged in producing the magnets and coils and diaphragms that go into these shells—the vital parts you do not see. Or take your telephone as a whole, and the men and women whose daily work it represents would number among the thousands.

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United States Chamber of Commerce
Washington, D. C.

in a joint conference from time to time to "discuss the problems of the Chamber and the Legion, concerning all matters pertaining to the best interests of the ex-service men." President Barnes welcomed and approved the suggestion, and at once appointed from the Chamber's board of directors, Felix McWhirter of Indianapolis, chairman, William J. Dean of St. Paul, and Frank Kell of Wichita Falls. Commander Owsley then appointed the following committee for the Legion: General Milton J. Foreman of Chicago, chairman, General Edward L. Logan of Boston, and E. Arthur Ball of Muncie.

A Pamphlet on Warehousing

THE importance of warehouse storage in facilitating the distribution of merchandise is explained in a pamphlet, Warehousing and Transportation Economies, issued by the Domestic Distribution Department of the National Chamber. A wide acceptance of public warehousing to provide for economies in distribution is indicated in the department's belief that

> Practically every commodity sold in retail stores is entrusted to public warehouse men during the process of distribution.

and it is confident that

> from the farm to the fireside, food, wearing apparel, hardware, drugs, stationery and tobacco undergo storage and the impulse toward the use of public warehouses has only begun to gather force.

The development of the modern warehouse and its functions have fresh definition and description in the department's appraisal that

> Proper storage is a science, no longer a mere piling of goods in an ill-lighted, possibly ramshackle old building used for that purpose because it may have been fit for nothing else. A thoroughly modern public warehouse is of fireproof construction, equipped with a sprinkling system, well illuminated and provided with efficient conveying and stacking machinery. Usually there is a fleet of automomile trucks as a part of its equipment and usually it is connected with one or more trunk-line railroads by means of its own side tracks.

The tendency of retailers to demand more convenient wholesale sources of supply has consideration in the pamphlet. From wide observation and report the department concludes that

> Many manufacturers and wholesalers whose area of distribution is or may be of a considerable extent already are preparing to meet this demand. One of the most obvious methods is to ship in carload lots consigned to warehouses in distant centers of distribution where the cargoes are stored until orders are received for local distribution. Any reasonable degree of economy should be expected from this method since the bare cost of storage may not exceed the cost in a large private warehouse and the maintenance of several hundred small private warehouses is likely to entail a prohibitory expense.

Single copies of the pamphlet are obtainable free of charge on application to the Department of Domestic Distribution, Chamber of Commerce of the United States, Washington, D. C.

A New Voice for California

CALIFORNIA has another champion of her interests with publication of the *Sacramento Spokesman*. The magazine is to be published on the 10th of each month by the Sacramento Chamber of Commerce under the editorship of Bert Foster Hews, and is to be

> . . . a magazine of service to all northern California, to unify and coordinate the efforts of civic organizations in developing this wonderland of the West, to afford a medium whereby these organizations can adequately inform the public and their members of their activities, to set forth truthfully by text and by picture the opportunities awaiting new settlers, and ever to preach the dominant gospel of greater

development and greater population—cooperation, service, and truth.

Publication began with the August number, which included 50 pages of text and illustrations related to the development of northern California.

International Standardization

POSSIBILITIES of bringing the size, grade and quality of South American fruits and vegetables more nearly into accordance with the requirements of markets in the United States are having consideration from the Fabricated Production Department of the National Chamber. This aspect of the trade between the countries is only one phase of the broad, general problem of standardization which the department has under study in its relation to all forms of industry.

Producers who are informed of foreign markets and prepare their products to meet conditions abroad are in position to make profitable sales, the department believes, through acceptance of standards of grading and inspection. To develop commerce beyond first-hand transactions, buyer and producer should have common standards on which to base their dealings. The establishment of standards common to both producer and buyer would avoid the present necessity of personal inspection of the products by the buyer. That conclusion is applied with equal force by the department to products from natural resources—lumber and minerals, for examples. To remain in the trade with profit, the producer must be prepared to meet conditions and competition in foreign markets.

The importance of standards applicable to machinery and other products for use in South America is also emphasized in the department's consideration of the general problem. It is obvious, the department says, that reducing specifications to reasonable uniformity would be most desirable, assuring fairer competition and facilitating repairs and replacements when the time element in obtaining duplicate parts is of first importance.

The primary and greatest need in laying a foundation for standardization is the simplification of technical terminology, and the formulation of a code in the languages most commonly used in trade. The great scientific and mechanical progress of the last decade requires an ever-increasing development of terms to provide a common language for the expression of specifications and contracts. Simplification in that direction will take form and scope from the engineer.

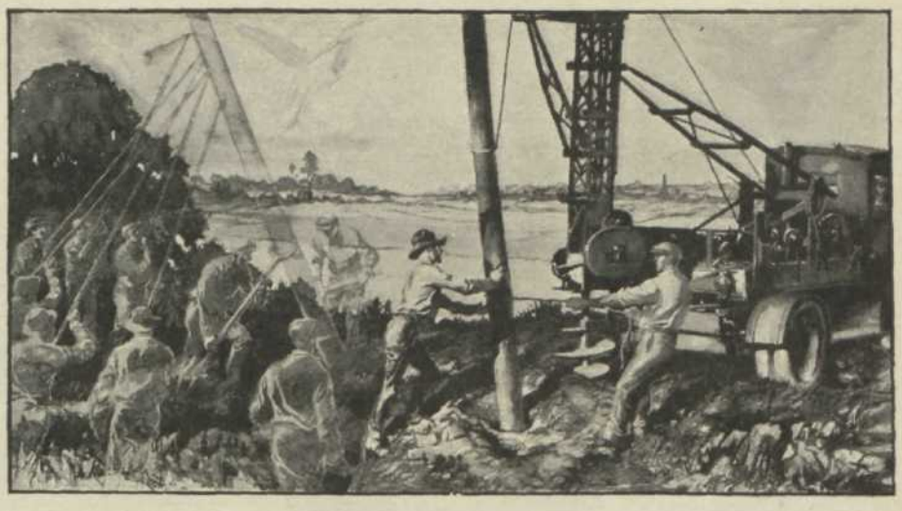
A Community Auditorium

THE CHAMBER building at Aurora, Illinois, has become a community center through the availability of its redecorated auditorium. When the room is not in use by the chamber, it may be used by other organizations. Convenient and commodious meeting places have not always been available in Aurora when needed. The new arrangement will provide a suitable room in which group meetings and conferences may be held. Use of the auditorium is obtainable on application to the chamber.

Fairs Aid Farmers Near Dallas

AGRICULTURAL development in Dallas County, Texas, is stimulated by six fairs held annually in the six important towns of the county under the auspices of the agricultural department of the Dallas Chamber of Commerce. The fairs are administered by a joint governing board. They precede the state fair at Dallas and are held for two days at intervals of a week, beginning in August and ending in October. Farmers of the county believe no step taken by the chamber has been of more value to the agricultural interests.

The Dallas Chamber gives consideration to agricultural problems through an agricultural advisory board. The board includes forty "dirt" farmers and ten business men of Dallas, and holds monthly meetings. The chamber spends more on its agricultural department than it does to bring new industries to the city. As an example of



Multiplying Man-power

To the man with pick and shovel the digging of holes for telephone poles is a slow and arduous task. Under favorable soil conditions three to five holes are for him an average day's work. Under adverse conditions perhaps he can account for only one. When the hole is dug, eight or ten men are required to raise the pole with pikes.

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Hundreds of devices to quicken telephone construction, to increase its safety to the employee, and to effect economies are being utilized in the Bell System. Experiments are constantly being made to find the better and shorter way to do a given job. Each tool invented for the industry must be developed to perfection.

In the aggregate these devices to multiply man-power mean an enormous yearly saving of time, labor and money throughout the whole Bell System. Without them telephone service would be rendered neither as promptly, as efficiently nor as economically as it is to-day.

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the chamber's activity in behalf of agriculture, it sponsored a loan fund plan whereby nearly $500,000 worth of fine dairy cattle were brought into the county. It is the purpose of the chamber not only to assure greater prosperity for the farmers of Dallas County but also to make the county a model for other Texas counties in its agricultural development.

The chamber is encouraging commercial organizations in the smaller towns of the county to designate themselves chambers of commerce and agriculture, provide that one-fourth or one-third of their directors be farmers and that the producers be an integral part of the organization.

Construction Council Programs

EXPLAINING in *The Forum* that the American Construction Council was conceived as a means of eliminating waste in time, effort, and money traceable to lack of correlation of the industry's many divisions, Noble Foster Hoggson, chairman of the council's executive committee, outlines the council's emergency and ultimate activities to stabilize construction. He writes that—

> With regard to the first or emergency program, among the more important activities are to be: a national program on apprentice-training; comprehensive steps toward the determination of the causes and the elimination of waste in all its phases throughout the industry, including a survey of costs; promotion of the stability of employment and the reduction of unemployment; a general educational program as to the problems of the industry and its development; and the promotion of the concept of construction activities as a great American industry.
>
> With regard to a permanent program it is expected that, in addition to developing the emergency activities into definite form, the council will give attention to such matters as: articulation of transportation, production, and distribution facilities with the needs of the construction industry; promotion of a better quality of construction, especially in housing; industrial arbitration other than labor disputes (possibly adjudication of labor disputes can ultimately develop); development of responsibility, legal and moral, among all elements within the industry as, for example, in trade agreements, speculative loan associations, and contracts for material; the practical and sane interpretation of the anti-trust laws as related to the operation of industry.

Marine Congress in New York

AN AMERICAN marine congress, to be held in New York during the week of November 5, has been called by invitation of the American Marine Association. The congress is to include representation from manufacturing, farming, exporting, importing and allied industrial groups in cooperation with the marine industry.

The purpose of the congress is to increase the competitive capacity of American ships, and to develop transportation by water through formulation of a program that will reflect the specific desire of the entire country. The national viewpoint thus defined is to become available to the national administration and to the national congress.

Organization of the congress is before the administrative and central committees of the Marine Association. Several hundred invitations to take part in the congress have been sent to commercial and industrial organizations interested in transportation by water.

San Antonio Teaches Trades

TO PROVIDE the opportunity and to encourage young men to learn a skilled trade, the Open Shop Association of San Antonio, Texas, has established a school of trades and crafts. Outstanding in the development of the school has been the progress of the classes in bricklaying and plastering. Day and night meetings are held, and the classes have been kept small

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so that the men may have the benefit of individual instruction.

The administration of the plastering course is typical of the school. Students are selected on the basis of adaptability, physical fitness, and intelligence. Sons of citizens of San Antonio are given the first opportunity to enroll in the school. Tuition is free, but the students must provide the necessary tools, which are obtainable at cost from the association.

The association requires that the men in the course obey the instructors with reference to the work and the attendance, and that they remain in attendance until released by the instructors as sufficiently proficient to meet the standards of contract work. Attendance is arranged for eight hours a day, five and a half days a week, and in six to eight weeks the student usually is qualified to accept a job as an apprentice.

After several weeks on permanent construction, the men return to night school for advanced instruction. The arrangement for night classes enables the students to hold their employment during the day. Instruction is given by expert journeymen and contractors.

The building leased for the plastering school was remodeled to provide the equivalent of a seven-room house. The rooms are designed to present angles, openings, and recesses, and the types of architecture to be found in plastering work in and near San Antonio.

Old Brooklyn Firms Honored

CERTIFICATES of recognition are awarded by the Brooklyn chamber to all concerns that have been in continuous operation in Brooklyn for twenty-five years or more. Explanation of the chamber's decision to award the certificates is made by *Brooklyn*, the weekly publication of the chamber, in this paragraph:

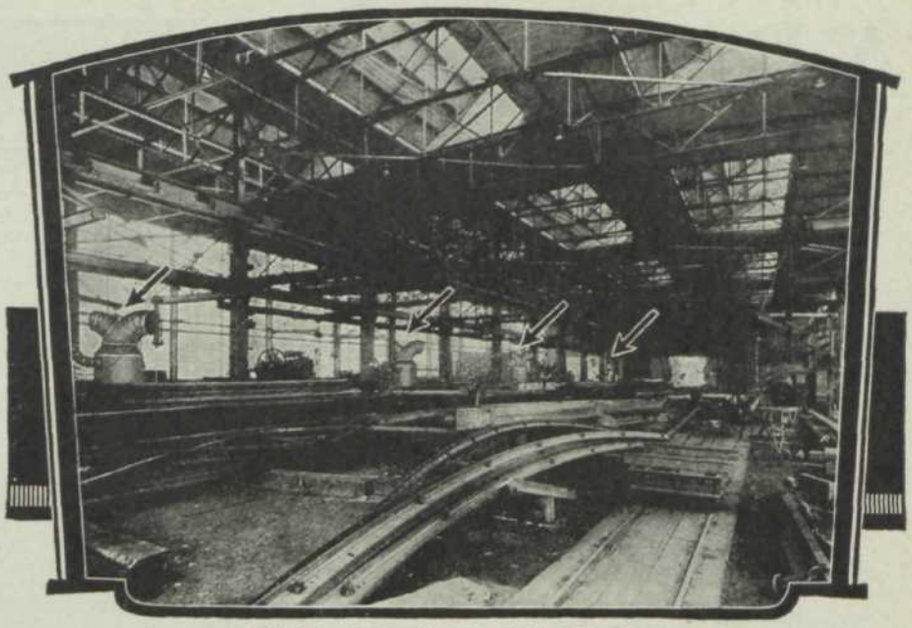
> Statistics show that the average life of a business concern is a trifle less than seven years, and that only 2 per cent of business concerns live as long as twenty-five years. It was these figures which brought the Brooklyn chamber to the conclusion that all business concerns in Brooklyn which had been in continuous existence for twenty-five years were entitled to special recognition, and the certificates are accordingly being given to all concerns that have survived the twenty-five year period."

That the certificates are appreciated is attested by *Brooklyn*, thus:

> Many very complimentary letters have been received by the chamber from concerns receiving certificates, and it is evident that this innovation is much appreciated. In many cases the certificate has been framed and is displayed prominently in the concern's office or salesroom.

Coming Business Conventions

Date	*City*	*Organization*
Oct. 31–Nov. 1.	Boston	National Association of Cotton Manufacturers.
Nov. 1	New York	Copper and Brass Research Association.
7–9	Buffalo	Casket Manufacturers Association of America.
12–17	Chicago	Automative Equipment Association.
12	Chicago	Wholesale Sash and Door Association.
13–14	—	Associated Cooperage Industries of America.
13–16	Cleveland	National Association of Ice Industries.
14–15	Chicago	National Industrial Traffic League.
14–15	Atlanta	Southern Sash, Door and Millwork Manufacturers Association.
18	Providence	Bottlers Boosters of America.
19–21	New York	Portland Cement Association.
21	—	American Railway Association.
21	New York	National Association of Leather Belting Manufacturers of the United States.
21	Jacksonville	Southern Cypress Manufacturers Association.
26 (week)	Atlantic City	Associated Dress Industries of America.
28	—	American Cloak and Suit Manufacturers Association.



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The remarkable performance of these heaters has been a source of amazement to engineers and executives—at first it seemed impossible that they could do what was claimed. But, after the most rigid investigation in hundreds of cases, these heaters were chosen above every other type.

Performance of Skinner Bros. (Baetz Patent) Heaters is guaranteed, when installed as directed by our Engineers. Find out more about them! They are revolutionary in design—pioneers of their type—use no outside pipes or ducts—are strictly portable. Ask us for Catalog E-5 and list of users. Make your own investigation.

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¶ Last month The NATION'S BUSINESS had 118,000 subscribers. This month there are 122,000, which indicates a steady, healthy growth.



Trade Press Digest

THE Coal Commission has died by statutory limitation. Its enemies say that it spent $600,000 and gave birth to 800,000 words—and not much else.

Coal Age, which in August pronounced one of the earlier reports "a mirror held up to the anthracite industry," and "an honest, courageous document," still feels that "there are immense possibilities for good to come from the tremendous work of the Coal Commission," chiefly through its legacy of a groundwork of facts, but through the *Age's* comment runs a note of disappointment at the inconclusiveness of the final reports:

> The first report, despite its label as a study of the causes of strikes, . . . is a rambling document, scrupulously disposed to deal the blows in equal measure to both parties and leaving us no nearer the answer than before. . . . All that the commission has offered is that the law must be enforced, if necessary, by the Federal Government. In other words, all that it offers as the solemn judgment of six men, after a long study of this most vital question, is the Marquis of Queensbury rules for a fight. That is why we say that its report is disappointing.

The second report, *Coal Age* thinks, is more satisfactory, and it characterizes it as "a detailed, scholarly, able study and discussion of labor relations and the causes of strikes." The *Age* feels, however, that the commission has avoided the issue of the check-off, and it concludes its observations by saying:

> Both documents have an abundance of sound reasoning in them, with ample preachments, plenty of platitudes and little punch. The commission has failed to grip the problem of the United Mine Workers as it now overpowers the coal industry and the public coal supply. . . . The Coal Commission's reports on labor are disappointing, not for what they say but for what they fail to say.

Iron Age is even less enthusiastic. "Verbose and inconclusive," is the way it describes the reports of the Coal Commission, and goes on to say that while it was hardly expected that the commission would be able to provide a great fund of information to economists and engineers and the persons engaged in the coal mining industry, it was hoped that it would "inform the general public respecting coal mining conditions in a lucid and convincing way." In that primary function, according to *Iron Age*, "the commission has signally failed."

In the same vein, *Engineering News-Record* complains that while facts about the coal industry far more accurate than ever made public or even known are in the possession of the Coal Commission, "the consumer is foundering in a sea of statistics sure only of one thing—that coal will be no cheaper."

"Cannot the commission particularize more than it has?" the *News-Record* asks, and adds:

> We have a statement of the wholesalers that their net profit in 1921 was six-tenths of a cent per ton. This sounds so ridiculous that it requires official answer. If in the turnover in which someone makes more money between mine mouth and cellar bin than it costs to mine the coal and pay its capital charges, the wholesaler makes less than a cent a ton, who is getting all the rest of the money? The public wants to know.

The net result of the work of the commission, *Engineering News-Record* concludes, is, simply, "that for some years the coal industry will continue to have the public at its mercy. That, we repeat, is a disappointing end of a promising beginning, however much that end was inevitable."

With regard to that portion of the report dealing with various violations of civil rights by both sides, *Black Diamond* is even more condemnatory. "As a review of the shameful condition it is a masterly document; in the way of fixing responsibility or suggesting a remedy it is a positive blank," is the way this paper describes the commission's treatment of the Herrin murders; and it concludes with the observation that the statement, worse than simply negative, is likely to give more cause for grievances on both sides:

> We fail to see where the situation has been clarified by this statement. Rather, both union and non-union sides have been furnished much fresh fuel to pile on the fires of hatred that have already existed too long. Violating its own often reiterated advice that a rehash of past events is wholly harmful and that constructive suggestions alone are helpful, this wordy document does nothing but tear open old wounds, and lay the foundation for innumerable fresh misunderstandings.

Who Won the Coal Strike? Certainly Not the Public

"THE miners get substantially what they wanted. The operators do not care particularly; the public pays," is the way *Iron Age* sums up the settlement of the coal strike by Governor Pinchot, and with this summary a good many of the trade papers are in substantial agreement.

Iron Age continues:

> All that the settlement of the anthracite strike means is that the politicians have washed their hands of a troublesome problem. There has been no step taken toward economic solution. The two-year contract gives us only a breathing space, at the end of which the United Mine Workers may make new demands and get them unless something important happens in the meanwhile.
>
> We are, in short, at the mercy of the United Mine Workers. . . .

"Surrender is always easy," is the way *Black Diamond* puts it, and observes that "anthracite consumers are to be taxed with another increase in the cost of their coal, because the official arbitrator finds it easier to surrender to 155,000 miners than to take the time to weigh their claims against those of 30,000,000 anthracite consumers."

That there will be little betterment of the situation until the American people as a whole give more time and attention to the question of what is a fair price for coal is the opinion of *Coal Mining Review:*

> This question should be settled in such a manner as would preclude the possibility of any strikes in the coal industry and all the annoyance and uncertainty which are incident to strikes and the suspension of the production of coal. Consumers of coal have no right to complain of the price that they pay for fuel as long as they take no interest in learning the facts in connection with the cost of production and distribution of coal. As long as they are satisfied with the new policy of negotiating wage agreements, just that long con-



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Its Colors Have Depth and Beauty



We have just seen the first proof of the full color Maxfield Parrish reproduction of the painting called, "The Spirit of Transportation," illustrated at the left. The Fine Arts Division of the U. S. Printing and Lithograph Company tells us that it took fifteen separate printings to bring out the wonderful Parrish colorings. This is the painting which was reproduced in small size in our Special Edition of June 5. The large sized reproduction measures 20 inches by 16 inches, and is mounted on heavy art mat, ready for framing. It is sent flat, properly protected and insured against damage in transit, for $6.00 per print, transportation charges prepaid. We will accept orders direct, for the convenience of subscribers. Send remittance with order to NATION'S BUSINESS, Washington, D. C.

sumers of coal must pay the price charged for the fuel being purchased.

Similarly, *Coal Age*, which, in an editorial entitled "Credit Pinchot," points out that while it is perfectly willing to credit the governor for his part in the accomplishment of an agreement, it was really the consumer who said "Enough" and expressed its preference for coal to contest, refusing to rise to the bait of soft coal for the winter.

And the public will continue to pay, continues *Coal Age*, which points out that

> Next spring the soft-coal mine contract will expire. It will be a presidential year and a strike would be considered most unfortunate. It is a safe guess then that the mine workers will weigh their chances of winning and will demand a 10 per cent increase. This one came so easy for the hard-coal workers as to hearten the soft coal men.

"It is easy to figure out who wins by the settlement," says *Engineering News-Record*, after having observed that "by the terms of the anthracite coal settlement the miners gain a horizontal raise in wages, the operators prevent the check-off and lose no part of their profits, the State of Pennsylvania will gain close to a million dollars extra taxes on coal exports, and the public will have to pay more for its coal." The best that can be said, concludes the *News-Record*, is that "in all probability anthracite coal disputes have been prevented for another two years at a cost to the citizen's purse."

Finally, *Black Diamond* comes forward with the comforting assurance that the settlement is simply "a curtain raiser for the spring of 1924," and it quotes John L. Lewis as having said at his recent speech at Hazleton, Pa., that the present 10 per cent increase was "just a starter." *Black Diamond* goes on to say:

> Lewis is right. A coal strike is sure-fire as a getter and holder of public attention. The only trouble is that he may be gauging the long-suffering proclivities of that same public a little too optimistically for its own good. He and his organization have played tag with the public and the operators a long time. It is possible that he may start one game too many, and that this same long-suffering public may insist on someone else being "it." It might even occur that Lewis will reach a break in his long continued string of victories.
>
> Time alone will tell. As the Philadelphia *Public Ledger* recently remarked editorially, "All this should be interesting to those who maintain that the Harrisburg truce actually settled anything."

Japan's Disaster to Boom American Industries?

WHAT the effect of the Japanese disaster will be upon American industry in general it is of course too early to say. Increased consumption of lumber products it is pretty sure to mean, thinks *Lumber World Review*, which runs a headline, "Disaster in Japan and rejuvenation of Mexico mean a great upturn in American lumber prices and a wonderfully increased consumption of our lumber products."

The *Review* goes on to quote a cable order from Kobe for 500,000,000 feet of lumber for use in rebuilding Yokohama, Tokio and other Japanese cities, and expresses its belief that "lumber producers in the United States will undoubtedly be the greatest beneficiaries in any line of our shipping industry which has any interest at all in the Japan trade."

Furthermore, the *Review* feels that with the destruction of so many modern buildings of the skyscraper type, Japan will return to construction offering less resistance to earthquake disturbances:

> So wonderfully had Japan progressed in the last ten years in the use of the classes of building material mentioned that American

writers were just about beginning a line of general comment on the subject. W. A. Starrett, in the September issue of *Scribner's Magazine*, tells under the general caption of "New Construction in an Ancient Empire," a wonderful story of this so-called progress in building in Japan, wherein it was shown that the modern skyscraper was coming into use in those cities where now the greatest devastation exists. And now, before the ink is scarcely dry on this particular article, the great earth upheaval and attendant fires of September 1 prove that the plan in no way registered progress; for buildings of great resistance in their construction suffered most, both in a financial way and on account of the added horrors that come to a people in great cities when buildings of that sort collapse, topple over, burn and disintegrate.

Japan will go back to its building methods of Old Peoples, and again return to the use of lumber, lumber — everywhere lumber and the simple construction which prevailed in Japan before that great country began to be seized with the jazziness of the necessity of putting on altogether a "civilized life."

Engineering News-Record, on the contrary, is not so sure that concrete and steel-frame buildings have proved unsatisfactory, and it expresses its opinion that, although the full story of the engineering aspects of the disaster will not come through for some little time:

> . . . there is somewhat better assurance . . . that the steel-frame and concrete buildings in the devastated area were not destroyed, as early rumors asserted, but survived substantially intact, as they did in San Francisco. This is at least an item of satisfaction, small though it be when measured in the total.

The silk trade is naturally most concerned. *Textile World* believes that in the next four months the silk industry will pass through a difficult period, and it gives its estimate of the amount of silk the country can expect from other sources than Japan:

> With the first shock of the disatser over, it would seem a wise move to take stock of just what silk this country can expect during the next four months. It is felt that by the end of this period more normal conditions can be expected and that the real pinch will come in the intervening months. The figures appended below are evidence of the fact that the silk industry will face a difficult situation in this period. Consumption estimated at 30,000 bales a month is not a high figure. Possibly it would have been higher had there been no interruption. The quantities available in Italy and China are considered maximum amounts due to the stimulus of high prices.

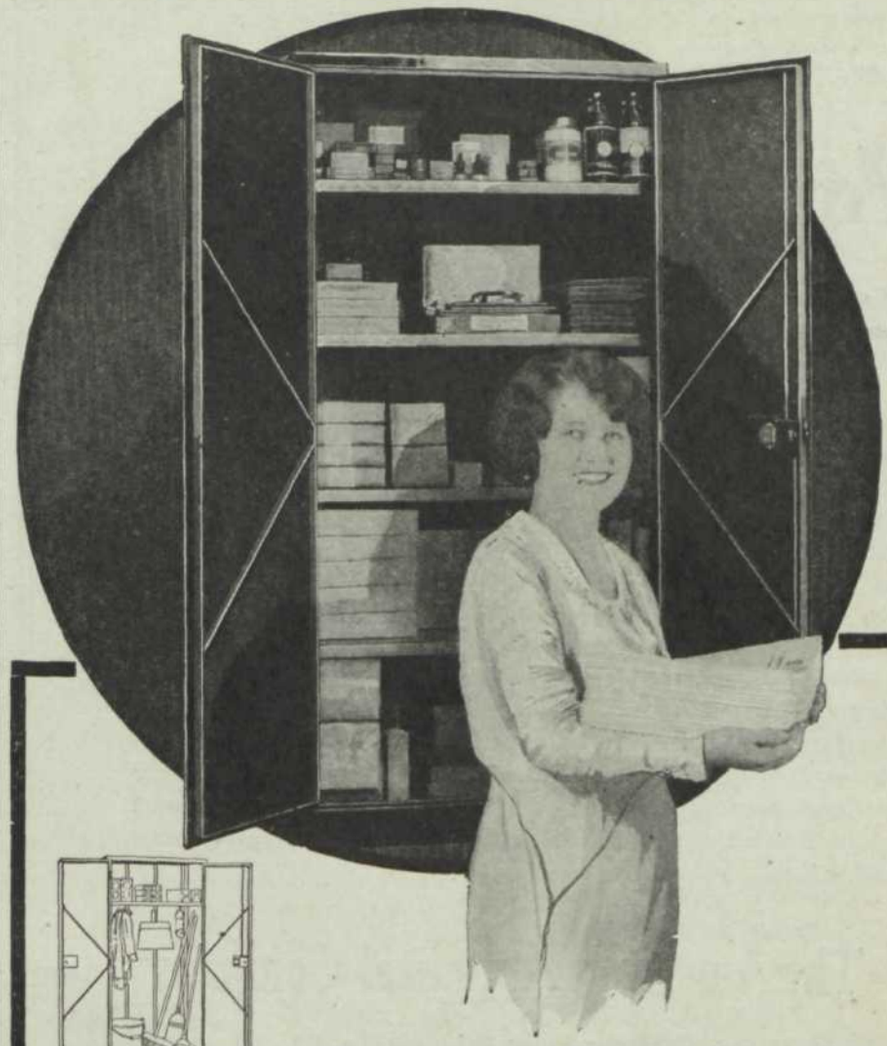
AVAILABLE

	Bales
Stock	40,000
Italy—next four months	10,000
China—next four months	35,000
Japan	?
Total	85,000

NEEDED

	Bales
September	30,000
October	30,000
November	30,000
December	30,000
Total	120,000

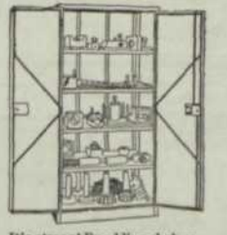
In considering the stock in this country as totally available, it must be remembered that some reserves are necesary for it is manifestly impossible to whisk the raw silk from the filatures onto the looms by some process of legerdemain. About 15,000 bales would seem to be the minimum for this purpose with the industry on a fairly normal basis. The number of bales which Japan will ship is of course the unknown quantity. The second half of October is about the earliest that ship-



By taking out some of the shelves, it makes a practical janitor's closet. Why not keep even these supplies in a neat and orderly manner—and safe.



Inserting coat rod turns it into a handsome wardrobe, accommodating six persons easily. Adds to the looks of any office.



It's strong! By adding shelves, you can store tools, dies, jigs, patterns, repair parts, etc. It even makes a fine bookcase!

Storage for Anything

Everything costs so like the dickens—stationery, office supplies, advertising matter, forms and so on! And then it gets wasted, soiled and spoiled! How do *you* protect such materials from dust, dampness, insects, mice, fire, petty pilfering and carelessness?

The Van Dorn All-Purpose Steel Storage Cabinet is mighty cheap insurance against such losses! It is roomy—36x70¾x22½ inches inside. It is sturdy and well made. The door closes tight, and locks safely, top, middle and bottom. Shelves are quickly adjustable. This useful cabinet comes ordinarily in handsome olive-green enamel; or may be had in oak finish. See it at the Van Dorn dealer's, or send for catalog *and stop those leaks!*

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CLEVELAND

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No. 3 of a series of talks on the means of testing an appraisal

Appraisals without bias

To be accurate and acceptable an appraisal must be made by an organization which is totally disinterested.

This organization must not have any financial connections or affiliations which would tend to influence its disinterestedness. Its point of view should not be distorted by the natural prejudices growing out of participation in other lines of endeavor. It should not be expected to weigh disinterestedly the merits of its own previous work. Its fees must be based upon the amount of work required to marshal the evidence of value—not upon the amount of value it finds.

Such an organization is The American Appraisal Company. Every American Appraisal is based upon facts as discerned and interpreted by the concerted experience of the whole organization—not of an individual. For more than a quarter of a century we have been supplying to the leaders of American business accurate and disinterested information concerning property costs and values.

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"Why Selling Costs Range High"

HARRY R. Wellman, Professor of Marketing, Amos Tuck School, Dartmouth College, has just written an article analyzing the costs of service and their effect on the present prices of commodities of general consumption. His article is another (No. 3) in the new Distribution Series now running in NATION'S BUSINESS, and will be found in the December issue.

ments from this source can be expected to arrive with the quantities uncertain.

The loss of raw silk can probably not be determined for some weeks yet, is the opinion of *Silk*, which quotes also an estimate of 30,000 bales, a figure based on the amount of raw material stored at Yokohama, and one of 75,000 bales, which includes raw silk in the outlying portions in the section affected.

An encouraging factor, in the mind of this publication, is the reputation for stability existing among Japanese business men, and the steady state of the Japanese exchange. *Silk* quotes the statement made at the close of the war that "Japan has never broken a treaty," and observes that a business contract, in the minds of the Japanese, evidently assumes the nature of a treaty and the same status, inasmuch as "practically all the responsible Japanese importers have assured their customers that they will deliver all silk under contract at the specified price as far as they are able."

Silk concludes that "the American silk industry has met the situation in a sane, logical manner, and its proceedings have been sound economically and commercially," and expresses its confidence that by the slow-and-steady policy which it has adopted, the industry will be able to save a difficult situation.

Too Much Legislation Now Is Opinion of Many Farmers

CAVIARE to a hungry man is the way *Price Current-Grain Reporter* describes the various methods proposed for relief of the farmer, and it adds that "the scarcity of ideas, even worthless ones, is amazing." The *Reporter* continues:

> The only sound suggestions for mediation, diversification of crops and repeal of the present laws giving to the Secretary of Agriculture powers to restrict freedom of trade in the commodity exchanges, directly or psychologically, of course have been received with little respect. The notion that any economic crisis could be corrected by letting it alone is of course quite beyond the conception of any man who has succeeded in breaking into the Government in any capacity. The suggestion that the Capper-Tincher act be repealed is widely recommended by intelligent farmers, who see now what it has done to the wheat market.

The doubling of the import duty on wheat the *Reporter* classifies as a "legislative dud," and quotes the editor of *Farm and Fireside*, who says that the present tariff law costs the American farmer 301 million dollars a year," and "has not raised the price of wheat one penny."

The proposal for a government guarantee of $1.75 a bushel is not being favorably received by the farmers of the Walla Walla wheat belt, according to *Modern Miller*, nor do they want any additional legislation in that direction. "Many farmers of the Walla Walla district observe in the cooperative movement in eastern Washington probably the safest way out," says this publication, and goes on to report:

> Of all the suggestions concerning the solution of the wheat price problem, that of Dr. S. L. Penrose, president of Whitman College, is most favored by farmers of this section. He proposes that the Government pay a bounty of 50 cents a bushel on wheat exported from this country. This bounty, he argues, would immediately offset the price of wheat in the domestic market and by the expenditure of 50 cents a bushel on 200,000,000 bushels would increase at an equal rate the price of the 600,000,000 bushels remaining for domestic consumption, or $300,000,000. If the wheat farmers of the country could combine forces, it is pointed out under this plan, it would pay them to spend this $100,000,000. In the event that the Government did not establish the required bounty they would secure by the plan $300,000,000. . . .

The Penrose plan has been generously

Talk to the Leaders In the Business Army

IN the business army some men lead; others follow.

The NATION'S BUSINESS is published for these leaders, 122,000 of them, men in the thick of business action in every community in the country.



It is an audience of great buying power, an audience filled with customers for every product used by industry and by men of more than average means.

If your own corporation sells to business men you may wish to consider a monthly announcement to them through the NATION'S BUSINESS. We are proud of the fine character of the announcements here presented and believe them typical of the best appearing anywhere.

Ask your advertising manager to apply the same tests to the NATION'S BUSINESS that he applies to other publications you are using. Compare its rate with theirs. Compare the market reached with any you are reaching. Compare the character of the audience and its ability to buy. Compare the concentration of the market and the economy presented.

A request will bring complete information to you or your advertising department or your advertising agent.

The NATION'S BUSINESS
Washington

For a brief statement of who reads the NATION'S BUSINESS turn to page 74



WHEN someone sent Rudyard Kipling a magazine with the advertising pages torn out, he replied, "Thank you, but next time please include the advertising pages. I find them telling as interesting a story as the editorial matter."

The NATION'S BUSINESS is proud of the month-by-month story of American business progress as written by its advertising pages.

spread round among the farmers of the Walla Walla wheat belt and has gained many supporters. These farmers favor payment of the bounty by the farmers rather than by the Government. They hold that the idea of asking the Government for this is distasteful, declaring that it is no more than right that the farmer should have his problem adjusted in such a way that he can solve it on a business basis rather than to levy a subsidy, which is a tax. The result would be the same, it is contended, as regards the raising of the price, and although the farmers would not make so much money clear they would feel more satisfied.

It is freely admitted by supporters of the new plan that government control of the price does not settle the economic difficulty now confronting the wheat grower and that once it is assumed the same difficulties will recur.

Finally, aroused by the proposal of Senator Stanfield, of Oregon, to distribute the profits of the United States Grain Corporation in the form of a bonus of 7.29 cents on every bushel of 700,000,000 bushels out of this year's crop, *The Commercial and Financial Chronicle* adds a word in protest against artificial measures and bloc legislation.

Agriculture is an occupation which is fundamental, declares the *Chronicle*, and in the end it must triumph by its own inherent strength because it is fundamental and basic. The *Chronicle* concludes:

> The trend of this farmer talk is already showing signs of veering away from special favors granted *to* the farmer toward the taking away of special favors shown by popular feeling and legislative action to other classes that have suffered, cried out, and been appeased, in the past.

Southern Negroes to Gain By Northern Migration?

OPINION that the migration north of some six hundred thousand negroes will undoubtedly result in better living conditions for those who remain crops out in several trade papers.

Governor Thomas G. McLeod, of South Carolina, writing for *Manufacturers Record*, states that the causes given for the migration, desire for social equality and fear of the Ku Klux Klan, is "sentimental and psychological rot" and that:

> They are going north and east simply because they can get more wages. . . . If we do not put our agriculture on a better basis, then not only the negroes but many white people will also leave the state. While it is estimated that 50,000 negroes have already gone from South Carolina, still in many sections their departure has not been any serious loss. . . . It is queer how that the presence of the negroes in such large numbers in the South has, in a sense, long been considered a problem, but when this unexpected solution is offered through their departure, a great cry arises.

Similarly, *Manufacturers News* which, commenting on the investigation by Arthur Evans, of the *Chicago Tribune*, of the progress of Mississippi in furnishing educational advantages for colored children, says:

> Mississippi has been the least progressive of all the Southern States in the matter of negro aid of any kind. For years its citizens adhered to the policy that it was unwise to educate the colored race, and cultivated the fantastic notion that learning was a bad thing for a man with African blood. . . .
>
> The migration of the negro population to the North has certainly had something to do with stirring them up. Within four years, . . . 300 of the Julius Rosenwald type of schools have been established in the state, including about 100 this year. . . .
>
> It is quite apparent that the bid of the northern factory for the negro's labor is going to be the salvation of the South.

Human Nature in Business

By FRED C. KELLY

AN EMINENT psychologist connected with a well-known school of business administration recently conducted a series of so-called intelligence tests on a group of salesmen. These men had all been employed for many years by the same firm and were regarded as highly successful. Yet in the psychological test, their rating was decidedly low. Here was a strange situation. The men's employers regarded them as both successful and intelligent. Their work spoke for itself. They must have been intelligent in a practical way. Yet a standard test which had come to be regarded as dependable indicated that they were not intelligent. Something was wrong either with the men or with the method of testing them. The investigator was unwilling to believe that there should be such a wide difference in intelligence as shown in everyday affairs and in laboratory test. He therefore made further inquiries. And he found the answer!

The men were employed to sell standard articles long in common use, and disposing of them depended more on perseverence than on selling ingenuity. None of the salesmen drew a large salary, for the firm could not afford to advance them beyond a certain point. In other words, there was no brilliant future with that firm, no matter how good a salesman one might be. There was the answer: If these salesmen had been really intelligent they would not have worked for so many years for a firm that offered them small chance of advancement. The smarter they were the sooner they would have resigned. The test was accurate after all!

A STUDY of weather and business has its surprises. Restaurant men know that appetites are not the same on a dark, gloomy day as on a day that is bright and cheerful. Natural enough! But the surprising fact is that they eat most on the day that is dark and dismal.

"On a cloudy day," an old restaurant man tells me, "people just sit and eat. There is nothing else to do. On a nice day they eat less and hasten out into the open. But the less they eat the more particular they are about the quality."

A young woman opened a little restaurant near the Department of Agriculture, in Washington. Most of her customers are employes of that department. She does a big business every day, but the rush is greatest when the day is the stormiest. On a fine day the men from nearby buildings walk to restaurants farther away, just for the exercise. Those who do not go to other restaurants cut down their eating in order to spend all the time possible in the open air.

I SAT in the office of the treasurer of a certain public utility company when a woman came to him to seek a contribution for a charitable enterprise. It was fascinating to hear his method of not giving her anything and yet sending her away happy.

"You say that this is for charity work under the auspices of the lodge known as the Antique Order of Giraffes," he observed. "Now if I contribute to you, I can't well refuse the Odd Fellows, the K. of P.'s and any others that might apply. If all did come for money and I gave it freely, it would probably cost us many thousands of dollars. The



A. F. B. A. HOUSE No. 702 *Designed for Service Department, American Face Brick Association*

This is one of the ninety-six artistic and well-planned Face Brick houses shown in "Face Brick Bungalow and Small House Plans."

Face Brick Makes the Truly Economical Home

EVERY year more and more home-builders learn the secret of building an economical home. They are finding that the house which costs the least to maintain is the cheapest to own. This is one reason why so many Face Brick houses are being built today. Slow depreciation, a minimum of repairs and upkeep, painting only around doors and windows, low insurance rates, and smaller fuel bills—all contribute to the economy of the Face Brick house. The facts are discussed in "The Story of Brick." For your copy address American Face Brick Association, 1730 Peoples Life Building, Chicago, Illinois.

Send for these booklets:

"The Story of Brick" is an attractive booklet with beautiful illustrations of modern homes, and discusses such matters as Comparative Costs, Basic Requirements in Building, The Extravagance of Cheapness, Financing the Building of a Home, and kindred subjects. A copy will be sent free to any prospective home-builder.

"Face Brick Bungalow and Small House Plans" embrace 96 designs of Face Brick bungalows and small houses. These houses are unusual and distinctive in design, economical to build, and convenient in floor plan. "Face Brick Bungalow and Small House Plans" are issued in four booklets, showing 3 to 4-room houses, 5-room houses, 6-room houses, and 7 to 8-room houses. The entire set for one dollar; any one of the books, twenty-five cents. We can supply complete working drawings, specifications and masonry quantity estimates at nominal prices.

"The Home of Beauty" contains fifty designs of Face Brick houses, mostly two stories, representing a wide variety of architectural styles and interior arrangements. These houses were selected from 350 designs submitted in a nation-wide Architectural Competition. Sent for 50 cents. We also distribute complete working drawings, specifications and quantity estimates for these houses at nominal cost.

"The Home Fires" is a new book containing twenty attractive original fireplace designs, for which complete plans may be purchased for one dollar, and twenty-five pictures of fireplaces designed by well-known architects. Also an article on fireplace construction. Sent for 25 cents.

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Dahlstrom hollow metal doors and trim in the Cunard Building, New York City.

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ARTISTIC—EVERLASTING
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Least cost. Greatest advantages. Cost not affected by amount of capital. Transact business and keep books anywhere. Stock made full paid and non-assessable by using our forms. Laws, blanks and directions free. Stockholders are exempt from corporate liability.
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"PHONE" without being overheard

Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*
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Accountants and Auditors
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WANTED—A Live Business
A seasoned executive will consider purchase of an old established, legitimate, profit making business—preferably mail order. Address: P. O. Box 354, Dayton, Ohio.



only place we can get money is from our customers. It wouldn't be fair to take money from our customers and give it away. We have an implied contract with our customers to deliver our goods to them at the lowest possible price and to do this we must save every penny that might add to our cost of doing business."

"WHENEVER I have a problem that I can't figure out," a great business man recently told me, "I call in somebody and start to explain to him just what my difficulty is. In trying to make myself clear, I usually see through the situation better than before and the whole trouble vanishes. All of which recalls Zola's practice of writing letters to himself about his next book."

MY FRIEND Jackson employs many salesmen to sell articles from house to house in the country districts. His method of finding suitable material for these jobs is unique. He does not go to an employment agency or advertise in the newspapers, but hunts up doctors and ministers in small towns. Who would know about honest, reliable ambitious young men in a community better than the family doctor or minister?

ONE prospective salesman asked Jackson: "Suppose there is a screen door and it is latched. How are you going to get into the house? And how can you sell anything through a screen door?"

Jackson has found that a combination of two methods will nearly always get a legitimate caller safely through a screen door. He says: "You present a business card and begin to *wipe your feet.* And the act of wiping the feet is by far the more important. If there is no doormat, or if the feet aren't muddy, wipe them anyhow. In doing so you work the power of suggestion, and also show decent impulses. It is not easy to resist unlatching a screen for a man who stands there thoughtfully wiping his feet as if he expected to enter." Then he added: "After knocking at a door, make it a point to stand back a little and let the housewife speak first. Her voice will reveal much about her mood."

IN A LARGE Middle Western city I went to a telegraph office to send a message to Washington, D. C. Two girls were behind the counter to receive messages. The one who waited on me did not know the rate on a ten-word message to Washington and had to look it up. This took her some time because she was puzzled over what state to look for in her book. Finally at my suggestion, she looked for District of Columbia and ascertained the rate.

Then I offered her a message to Boston. She did not know the rate there either and again turned to her book. By chance the pages opened at Minnesota. Not being any too sure of her alphabet, she was uncertain

whether to turn forward or backward from Minnesota to find Massachusetts.

There's more to the story. The next day I happened to go to that same telegraph office again to send a message to Washington. The same girl waited on me. Once more she did not know the rate on a ten-word message to Washington without looking it up and she did not know to look for Washington in the District of Columbia. Of course the girl could not help being only moderately keen-minded. She was sweet and obliging and did the best she could.

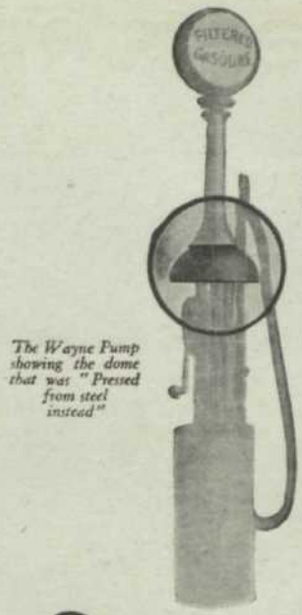
But my point is that I and other users of the telegraph service probably had to pay for her shortcomings. If the other girl behind that counter was of the same degree of intelligence, then the two could not handle as many messages in a day as could have been taken by one smart girl at the same salary. And if this were true, the telegraph company failed to operate its service as cheaply as might have been. Like any other wasteful business practice, the cost had to be assessed against the consumer.

A CERTAIN grocer I used to know, wishing to create an atmosphere of success, always told everybody that his business was booming whether it was or not. He was a real optimist. The result was that another man took him at his word and started a grocery next door, feeling sure that there must be plenty of business there for both. But with the trade thus divided both went bankrupt.

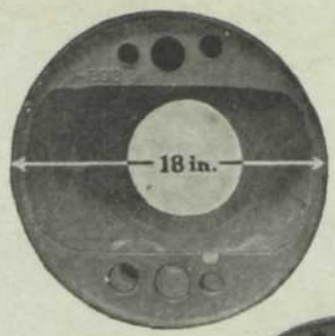
"WE SOMETIMES make mistakes in judging men," an employer once told me, "because of a seeming superficial merit. Lots of men are regarded as incipient empire-builders because they give evidence of being hustlers. Now, the trouble with a great many of these hustlers is that they simply have a knack at being physically busy. They do a lot of hustling and bustling about, often to no purpose, and are full of lost motion; but their physical activity is apt to fool us.

"We are equally often misled, too, by men who are showy in some other way. I was conducting a big public service plant in a western city, and industrial managers from other places often came to visit the plant. It frequently happened that a visitor would take a fancy to one of our men and hire him away from us. To do so under the circumstances was a breach of business ethics; but here was the joke: The men that the visitors hired from us were almost invariably men whom we had been tempted to discharge anyhow. It was never the quiet fellow who went on with his work without saying much that the visiting employers wished to hire away. They were attracted rather to some talkative chap whose abilities were largely concentrated along conversational lines. The merely gabby person, however, is soon found out, and if he has nothing with which to back up his vocative talents his downfall may be even more sudden than that of the man who has *neither* talk nor ability; for an employer is likely to feel resentful toward the man whose inadequacy is proof of the employer's poor judgment in hiring him."

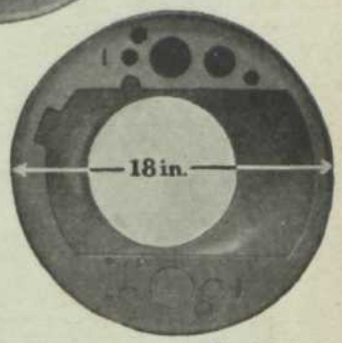
MOST of us might be surprised at how often we are like the old woman in *Punch* who said she bought Smith's soap because she had seen it so highly spoken of in the advertisements. If the advertising is well done, the idea of the merit of an article sinks into us until we forget *where* we first heard it so favorably spoken of.



The Wayne Pump showing the dome that was "Pressed from steel instead"



Cast Dome Weight—39 lbs. 8 oz.



Pressed Steel Dome Weight—13 lbs. 8 oz.

Wayne Pumps again "Press It from Steel Instead"

THE Wayne Tank and Pump Company knew what pressed steel could accomplish. They tried it once—found many advantages—and came back again. This time pressed steel eliminated a top heavy part.

This part is the pump dome pictured above—redeveloped from a casting weighing over 39 pounds, to a pressed steel part weighing 13 pounds. *26 pounds of unnecessary weight were eliminated* and these five additional advantages gained:

1. Increased Production
2. Elimination of costly machining operations.
3. Improved appearance
4. Elimination of breakage
5. Greater similarity of parts

Would six points of advantages on some part of your product interest you? It is highly possible that some saving could be effected, if you are now using castings. What we have done for The Wayne Tank and Pump Company we have done for others, and may be able to do for you.

Just place your problem before us

Think about your own product for a moment. Isn't there some cast part that could be advantageously replaced by pressed steel? Send us a sample or blue print and our engineers will do the rest. You are under no obligation in letting us work out your problem.

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It's there you can drive in safety and comfort on the best pavements, or live without fear of the night prowlers that infest dark neighborhoods.

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Modern electric street-lighting earns far more than it costs. It will make your community a bright spot on the map, known as a good place in which to live and do business.

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